



**Australian Security in the 21<sup>st</sup> Century  
Seminar Series**

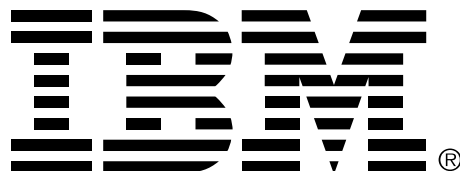
**The South Pacific – Policy Taboos,  
Popular Amnesia and Political Failure**

**Delivered by**

**Graeme Dobell**

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## **The South Pacific: Policy Taboos, Popular Amnesia and Political Failure.**

Graeme Dobell

The Menzies Research Centre Lecture Series:  
Australian Security in the 21<sup>st</sup> Century

Canberra, February, 2003

*“I have become convinced that in the Pacific Australia must regard herself as a principal, providing herself with her own information and maintaining her own diplomatic contacts with foreign powers...It is true that we are not a numerous people, but we have vigor, intelligence and resources, and I see no reason why we should not play not only an adult, but an effective, part in the affairs of the Pacific.”*

Robert Menzies, April, 1939<sup>1</sup>

*“There is an interactive (if elastic) region stretching from Dili to Dunedin, of which Australia is the core as well as the blind spot. Australasia has no agreed name, but it is just as real in the 21<sup>st</sup> century as the 19<sup>th</sup> century.”*

Donald Denoon, 2002<sup>2</sup>

*“Unless the quality of Government in the Southwest Pacific can be restored, and social and economic development resumed, we risk seeing our neighbourhood degenerate into lawless badlands, ruled more by criminals than by legitimate governments.”*

Australian Strategic Policy Institute, 2002<sup>3</sup>

Over the previous two centuries, Australia went out into the South Pacific as biblebashers and blackbirders; as carpetbaggers, captains and canegrowers. We sailed and traded and built and searched for both gold souls. And, of course, we sought security for this country.

If this gathering had happened in 1903, in Melbourne, where Federal Parliament was meeting, or here in Canberra in the climactic year, 1943, the MPs, officials, academics and journalists would have taken as a given the idea that the Pacific is vital to our security. They would, as the chattering classes always do, have easily jumped into an argument about policy taboos and political failure. Where the title of this lecture would have puzzled them – a century or 60 years ago - is in the claim of amnesia, the idea that the Australian community has forgotten about the South Pacific.

I'm certainly not arguing that our politicians, diplomats and defenceniks have taken their eyes off the region; that is a rather silly claim that ignores the more serious charge about Canberra – its inability to think new thoughts, to alter failed policies. We are in a hole, and the only response has been to increase the vigour of the digging. Much of our Pacific policy has been reduced to aid policy. And because our aid is going into failing states our Pacific policy is beset by a sense of failure.

In the Australia that lives beyond this capital, the amnesia about our dynamic and vigorous Pacific history is striking. The colour of our Pacific past is the sharpest of contrasts with this faded popular memory and the almost defeatist mindset here in Canberra. I was struck last year when a very senior person in the Foreign Affairs Department said Australia's objective in the South Pacific is to "cleverly manage trouble." It clearly defines what we face – trouble – but shows blinkered thinking about our ability to act. Surely, even in the darkest realms of realism, we can aim for more than a mere clever handling of decline into chaos.

I come from a craft proud of punchy, alarmist headlines known as "screamers". Yet to describe a Pacific in crisis or a slow-motion disaster on our doorstep, is merely to reflect what is becoming a regional consensus, almost orthodoxy. The policy makers and analysts talk of lawless badlands and failing states, especially when looking at Melanesia. Our predecessors of a century ago or in the midst of WW2 would be astounded at how calm, how accepting our policy makers are about this prospect. It may be a slow motion disaster but it is still a process of collapse that is happening now, and which has profound implications for Australia's security.

This lecture will argue for Australia to accept its unique role in the Pacific as a great gift, not a burden. We should abandon the strangely defensive posture we have adopted from the day the South Pacific Forum was

created. It is time for Australia to lead. We need to understand fully the implication of the security guarantees we have already given to the Pacific. And we must match our existing security guarantees with economic guarantees.

The centre piece should be our advocacy of a Pacific Economic Community grouping us with New Zealand, Papua New Guinea, the island states of the Forum, and probably the French territories. In order to create this Community, Australia must first tackle a taboo that has endured for decades – labor mobility from the islands. A special right for Pacific workers is a cornerstone issue. It would be a vital demonstration of Australia’s good intent; it has become so important because we have steadfastly refused to make any such special allowance ever since independent nations started to emerge in the Pacific. We should do this as aid-security-economic policy, not treat it as migration. In return, we should demand some real reforms from the Islands; in particular the adoption of the Australian dollar as the currency of the Pacific. Our policy does not need to be soft-hearted, but we do need to show some tough love.

### **POPULAR AMNESIA**

It’s extraordinary how little impact our long colonial experience has had on Australian collective memory. A Federal Parliament report on Papua New Guinea judged that Australians were “diffident colonisers who governed with casual practicality and who departed with alacrity and too little care.”<sup>4</sup> However diffident, Australians seem to have forgotten that we first picked up our colonial role in PNG in 1883 and carried it until 1975. Where today is there any evidence of that association on our streets, in our language, in our cooking, in our understanding of ourselves? There are amazingly few Papua New Guineans in our midst. The 2001 census found only 23,000 people in Australia who’d been born in Papua New Guinea; the Immigration Department estimate is that the great majority of these were born in PNG because their expat parents were working there in the Australian administration. There are nearly twice as many Fijians in Australia as there are Papua New Guineans.<sup>5</sup>

Of course, part of the trick to being a dynamic, multicultural society is the ability to forget history and move on. So perhaps it’s understandable that Australians have conveniently forgotten their 90 year colonial past in PNG and our central role in the Islands. Indeed, Australia sometimes fails to realise that the defining experience for most of our neighbours was not

WW1, WW2 or the Cold War; it was the colonial/post-colonial experience. Thus, at the end of the 20<sup>th</sup> century it was possible for an Australian financial institution, when re-badging its banking arm, to decide that it would become the Colonial Bank. Perhaps the image-makers found that Australians associated the name with tradition and sturdy architecture. But what it meant in Fiji is that when approaching the tallest building in Suva, you confront a sign on top of building proclaiming, you guessed it, “Colonial”. Very post-modern perhaps, but with more irony than intended, surely.

While the region remembers much more about our roles and us than we do ourselves, we are lucky in how well the region knows us. To make the broadest of unprovable assertions, many in the Pacific quite like Australians. We get a welcome there that is more relaxed and natural than any reception we get in Asia. The Pacific finds us arrogant and ignorant sometimes. But they make some allowances for the biggest kid on the block, and often they know us well enough to forgive us. They fly through here on their way to nearly anywhere else. The small middle class - the politicians, bureaucrats and the business people - come here to shop, to have their operations done, to stash their money, to educate their kids, and to follow rugby.

### **PRAISE THE PACIFIC**

Before this becomes a dark lament about the sad state of the Pacific, it's worth spending a moment to highlight the positives which should both sustain and encourage. I argue that the Lucky Country has won the lottery again – if you had to pick a region of the underdeveloped world where you'd have special responsibility, where else would you pick?

The peoples of the South Pacific – inhabiting an environment which can be as harsh as it is beautiful - constitute nations in the true sense of the word nation. They have clear identities of culture, language, ethnicity and history. There is much to admire and learn from these societies, whatever the failings of their leaders. Often these nation states cannot be regarded as fully functioning economies, as much for scale as development. Now its worth pondering that for a moment: you have all the proper characteristics of a nation state – defined character, culture and boundaries – but you have trouble functioning as a grown up country, instead stuck in some form of permanent adolescence. An inherent tension exists in having all the characteristics of an independent country but having little chance of attaining a 'modern economy' to meet the

aspirations of the nation's people. The smaller Island countries have annual cash turnovers no larger than an Australian provincial city.

We are talking about incredibly new countries (as defined by the West, of course); some with their first generation independence leaders just fading from the scene: Fiji independent in 1970, Papua New Guinea independent in '75; and then four other players very quickly through the rest of the 70s - the Solomons, Tuvalu, Kiribati and finally the creation of Vanuatu in 1980, which was a difficult breech birth involving both French and British parents.

These are classic strong societies within weak states. The family and the village are at the centre. What PNG calls wantoks - language groups or "one talks" - are a social support system that impose great obligations but also provides social and emotional capital through family and extended relationships. In the Pacific, culture can translate as a deep sense of belonging.

The Pacific has been coping with modernisation for centuries. The integration of custom and the West is everywhere you look, especially in the churches. Christianity has been absorbed into the very being of the Islands and reinforces the strong reach of family and village. The Constitution of every Melanesian state except Fiji contains direct reference to the Christian faith.

The blending of Christianity and custom gives a strong flavour to island life. Consider the vision for the future of Vanuatu expressed at the 2000 national summit: "A unified, peaceful self-reliant and democratic nation, upholding the rule of law, Melanesian values and Christian principles."

Christian principles along with the values of Melanesia, Micronesia and Polynesia seem to be a favourable mix for political stability. The political somersaults that have afflicted PNG, Solomons and Nauru should not obscure the relative success of democracy in the Pacific. The Islands have made a better go of transplanting Western democratic forms than any other developing region. Here we have Christian, democratic societies with an admirable commitment to family and clan (although a sometimes hazier view of the relationship of their village to their state). Australia is usually much more naturally at home in the Pacific than in Asia – and certainly Australian views are more easily and readily accepted.

The jet engine means that Islanders often leave their country for long periods for education and work. The Pacific may have a series of weak governments and ailing economies, but Island societies draw strength from family networks that reach across long distances to provide support and income. Remittances from off-shore workers are an important element in the economic structures of the middle-sized and smaller Pacific economies. The disorder and fragility of some states is counterbalanced by the strength to be found in Pacific peoples. The family is often a powerful economic unit, with relationship networks stretching from Sydney to San Francisco:

This is the positive view we should not lose sight of - citizens straddling an island past and a global future. In Polynesia and, to a lesser extent, in Micronesia, you can have some optimism about this vision. It's in the islands closest to Australia - Melanesia - that the strong societies and cultures have eroded the most. Whatever the continuing vitality to be found in the villages, the larger political and economic systems are sick. Here is the Australian Strategic Policy Institute's assessment of Melanesia at the end of 2002: "Despite our best efforts the continued viability of PNG, the Solomons and Vanuatu as nation states is now uncertain. Their Governments are weak, transient and hard to deal with. Corruption is rife and control over territory is uncertain. Economies are stagnant and law and order is poor. Their ability to resist penetration by outsiders - whether states or non-state entities is almost nil."<sup>6</sup>

### **ARC OF INSTABILITY**

The "arc of instability" started off as a polite way to refer to Indonesia, but it is the Pacific part of the arc that has really been living up to the name. Naming the Pacific membership shows the range of problems covered by a catch-all phrase: East Timor, West Papua, Papua New Guinea, Nauru, Solomon Islands, Vanuatu and Fiji.

There are two failed states in the collection. To Solomon Islands, add Nauru. One state has failed because of its poverty, the other because of its inability to handle riches. Both Nauru and Solomons are bankrupt. Both now survive on the charity of donors.

In the Australian aid budget, this financial year, Nauru gets bilateral aid for the first time. This is extraordinary when you remember that in the 1960s Nauru was the second richest country in the world, worth about two billion dollars divided among about seven thousand people. Today

Australian diplomats ponder whether the cheapest long term option will be to give all 12,000 Naruans an automatic right to come here.

With Solomons, it's hard to know where to start, and certainly where it will finish. This is a state that cannot pay its teachers and nurses. The World Bank and the IMF virtually refuse to deal with it. Key donors such as Australia and New Zealand are bypassing the central government to ensure that health services reach the people. Melanesian concepts such as compensation have been debased to become a justification for interest groups to hold their own government to ransom. The Australian Strategic Policy Institute suggests that in the Solomons "the collapse of effective government means that there may be no point in trying to work with the national authorities to try to address the problems on Guadalcanal."

In East Timor, Australia has acquired another Papua New Guinea, and Timor starts life with far fewer assets than we left with PNG. This is one of the poorest countries in the world. It lost 200,000 people killed to war, starvation and disease in the 15 years after the Indonesian invasion. The traumas will take a long time to heal. Our actions in helping bring East Timor to life mean that we are now the defacto guarantor of its existence. Remember, we were ready to go to war with Indonesia in 1999. If an Indonesia submarine nosing around Australia's ships going into Timor had been just a little more aggressive in those first tense days, that war might have started at sea. The catastrophic consequences of such a "Belgrano" moment for Indonesia and Australia recall a Sergeant-Major's truism: "No matter how bad things look, just remember they can always get worse." More than we have had to in PNG, our role and interests in East Timor will always have to take account of the third player, Indonesia.

When we look at Papua, formerly Irian Jaya, we must hope fervently that Indonesia takes the right lessons from Timor. Unfortunately, some in Jakarta think Timor shows what happens if you ever relax the iron grip. We must pray that the peace process in Aceh works and some of the same medicine can be applied in Papua. There's not yet much pressure on Australia's Papua mantra: we strongly support the territorial integrity of Indonesia. But as Timor shows, the real pressure comes not from guerillas in the hills but from the younger, educated, independence activists who can communicate with the outside world. When the activists send 50 minicams (digital movie cameras) out into the Papua bush and villages

with orders to get dramatic footage of Indonesian brutality, that's when CNN will start to take notice.

If Solomons is failed, then Papua New Guinea is dysfunctional. Last year's election shows how the Highlands have become badlands where the gun rules. And before we get too sanctimonious about that breakdown, remember that Australian smugglers and Australian marijuana smokers have had a large role in transforming the Highlands - the "Gold" flowed south to Australia and high powered rifles and shotguns flowed north. The weapons have transformed the level of violence involved in crime, tribal rivalry and the act of voting.

Let me add just one new dimension into the volumes written about the problems of PNG. Go to the AusAid web site and read the report on the HIV-AIDS epidemic. AIDS could decimate PNG's population, crippling its government and economy.<sup>8</sup>

Imagine walking down a street in a city or a country town, knowing that four out of every ten adults you meet could die of AIDS. That is the worst-case scenario for Papua New Guinea. The HIV-AIDS epidemic building in PNG has many characteristics in common with Africa. Like Africa, in PNG the disease is sexually transmitted through multiple partners. It's a heterosexual disease -- half of the victims are women. The current estimate is that 0.6 percent of Papua New Guinea's adults have HIV or AIDS. The conservative consensus is that for every one known case, there could be four unknown cases. But the real ratio could be 20 unknown cases for every one that's been detected. There's little testing in PNG and AIDS deaths are often recorded as being due to TB or pneumonia.

Because of the similarity with the African experience, the study did three projections of the impact of the disease: a low impact scenario based on Kenya, a medium estimate using South African experience and a high impact scenario using Zimbabwe. On the low projection, PNG will lose 13 percent of its adult population by 2020 - about 45-thousand deaths. On the mid course, PNG loses more than one-third of its potential adult population -- one hundred thousand deaths. And in the worst case, PNG loses 37 percent of the adult population it would otherwise have by 2020 - meaning the deaths of 124-thousand people. The African experience demonstrates that AIDS hollows out institutions because of the impact on middle class urban dwellers. The disease is one more factor that will weaken governance in PNG.

Vanuatu looks good only because of what's around it. I did an interview recently with a deputy director general of AusAid where she talked on the record about the dangers that Vanuatu could be where Solomons was only two or three years ago. Vanuatu has the same potential for conflict because of social pressures, rising expectations, corruption and the gap between rich and poor. So Australia's aid bureaucracy sees Vanuatu as a threshold failed state.

Fiji should be the large economy at the centre of the Pacific that is the economic driver and model for the rest of the region. Instead, Fiji's sluggish performance since independence in 1970 has hobbled its own development and given no help to its smaller neighbours. Fiji's GDP growth from 1970 to 2001 is classified as "very low" – only 124 percent for the period, or 2.6 percent average annual growth. Real per capita income grew even more slowly – a mere 44 percent over the three decades (1.2 percent annually). The highest GDP growth was in the five years immediately after independence.<sup>9</sup>

You can make an argument that Fiji's greatest problem is not ethnic tensions but the culminating effect of poor growth. Fiji often looks to Malaysia for justification for special policies to help ethnic Fijians. The more instructive view is of how strong economic growth in Malaysia has provided a balm to sooth possible ethnic conflict. A stronger Fijian economy would mean less squabbling over the division of the pie and reduce the brain drain. The obvious link between stability and economic growth is worth bearing in mind as we look at the security guarantees Australia now offers the Islands.

### **SECURITY GUARANTEES, MORAL DILEMMAS AND EXIT STRATEGIES**

Australia has evolved a set of security guarantees - formally stated and informally expressed - that cover virtually the whole of the South Pacific. We have moved from a Cold War policy of strategic denial to one of explicit security guarantee. And the Australian Defence Force has created doctrine and bought equipment to be able to give military effect to those promises. But more broadly, I suggest, Canberra has not thought through the real implication of the burden that our policy proclaims us as ready to carry; particularly because we face an era when we are going to have to deliver on those promises. The promissory notes are coming due.

The policy divide is illustrated by a simple drive down Kings Avenue, outside this building. At one end of Kings Avenue sits the Defence Department, which promises to go to war to protect Island Governments from both internal and external threat. At the other end of the Avenue sits Foreign Affairs, which thinks all we have to do is to be smart and sensitive in the diplomatic management of decline. And both ends of the street are reluctant to acknowledge how much the idea of “security” has expanded in its international definitions.

I suggest our security guarantees, to be meaningful, have to extend to ideas of personal security, social stability and - whisper it gently - economic security.

Our interests in the Pacific also reflect our self interest. The Islands lie across trade routes and approaches to Australia's major population centres along the east coast. Those lines through the Pacific reach out to Japan, the United States, China and South Korea. The tribal memories of Australia's defence planners mean there will always be an echo of the island-hopping war against Japan in looking at the South Pacific: “An unfriendly maritime power in the area could inhibit our freedom of movement through these approaches and could place in doubt the security of overseas supply to Australia of military equipment and other strategic materiel.”<sup>10</sup>

One of the unremarked elements of the Howard Government's strategic vision has been the way it has expanded and formalized our defence commitments in the South Pacific. One reason it has been unremarked is that there is a bipartisan consensus. This Government has merely put the defence flesh on the Antipodean Brezhnev Doctrine that Gareth Evans proclaimed with his 1989 statement on Australia's Regional Security. The Labor Foreign Minister set out the rationale for the use of Australian military force in the South Pacific in “unusual and extreme circumstances”, while disavowing any intention that Australia should be a political or moral arbiter in the region<sup>11</sup>. (Such disavowals always remind me of Henry Kissinger's line that when a state denies it intends to take a course of action, it is signaling to others that it has the capacity to take such action if it wishes.)

The Howard Government 1997 Strategic Policy and the 2000 Defence White Paper have made an explicit commitment to a network of military

guarantees covering not just Papua New Guinea but the whole of Melanesia.

The '97 Strategic Policy marked a significant moment of what the military call “map creep” – the tendency of leaders to put their hand on the map and keep pushing out the boundaries of action. Australia was capable of “exerting considerable influence” in the South Pacific and its objective would be to “maintain our position as the country with the strongest strategic presence in this region”. Australia's interests in PNG were described as “especially compelling”. The 1987 Joint Declaration of Principles with PNG expected that “Australia would be prepared to commit forces to resist external aggression against PNG”. The security considerations that applied to PNG were also relevant to “defence relationships and objectives in the Solomon Islands and Vanuatu and, with less force, to other more distant Pacific Island countries”.

Having elevated Solomons and Vanuatu to share a treaty pledge with PNG, the Strategic Policy then offered military backing to the other islands to deal with external threats or civil disruption. Australia could be called on “to provide substantial support to South Pacific countries” if they faced the “breakdown of law and order”. Australia's approach to the security of the whole South Pacific “should recognise that any attack on them - or penetration by a potentially hostile power - would be serious for our security and that, as with PNG, we would very likely provide substantial support in the unlikely event that any of them faced aggression from outside the region.”<sup>12</sup>

The 2000 White Paper repeated the intention to be the region's key strategic player: “Australian interests in a stable and secure Southwest Pacific are matched by significant responsibilities as leader and regional power. We should be very likely to provide substantial support in the unlikely event that any country in the Southwest Pacific faced substantial aggression.”<sup>13</sup> Having just seen Fiji and Solomon Island fall over, the 2000 White Paper was not so brave as to repeat the previous promise of substantial support to deal with the breakdown of law and order.

The evolution of policy statements over the past 15 years mean Australia has offered formal defence guarantees covering all of Melanesia and we now say that our response in the rest of the region could be commensurate with what we would do in PNG. Our separate alliances with the United States and New Zealand stretch the guarantees even further. Through New Zealand, we are associated with the explicit

defence of Cook Islands, Niue and Tokelau; and the US relationship does the same for us in Micronesia.

Our actions in East Timor in 1999 demonstrated our willingness to go to war there - so mark that down as a firm defacto guarantee. And by pumping 20 million dollars into Nauru last year we have taken on the role of the last-gasp guarantor of the existence of Nauru as a functioning state.

To its credit, the ADF reads its own documents and has sought to create the muscle to meet Australia's promises in the Pacific. Australia has put in place a network of national maritime surveillance and communications systems, backed by long range maritime patrols by RAAF Orions. The program of regular Orion missions into the South Pacific was started in 1983, the same year Australia announced its largest-ever security project for the region - the Pacific patrol boats.

Australia has built and supplied the Pacific patrol boats for Island governments to police their 200 mile economic zones and still pays for much of the repair and running costs of the boats. Twenty-two of the boats were given to 11 Island governments. The Defence Department viewed the project as an "outstanding success".<sup>14</sup> The program has inserted another important player into the small policy elite of Island governments - the Australian naval adviser who helps run the patrol boat. More than 70 Australian Navy officers and technicians are seconded to serve on the boats throughout the region. As the existing patrol boats reach the end of their 15-20 year life span, Australia is to provide replacement boats to extend the scheme for another two decades.<sup>15</sup>

The ADF took some hard lessons from the dangerous, high seas farce that befell its effort to deploy by sea after the first Fiji coup in May, 1987. The military was ordered to prepare to evacuate Australian citizens if civil order broke down because of the Rabuka coup. The resulting plan called for the evacuation over four days of the estimated four thousand Australians in Fiji. Planners also anticipated requests to help evacuate Japanese, US and British citizens in Fiji.<sup>16</sup> All the scenarios for evacuation assumed the cooperation of Fijian authorities, including the Fijian military which had staged the coup. The 120 men from the Operational Deployment Force were thus told to leave behind larger weapons such as machine guns as they boarded Navy ships for Fiji. A report to Federal Parliament judged that "the logistic difficulties experienced by the ADF in preparing for departure for Fiji were significant enough to warrant a complete review of procedures".<sup>17</sup>

While the evacuation was not needed, the experience of getting a force to sea and heading for Fiji has certainly influenced Australian military planning. Naval helicopters could not lift Army Landrovers. And the transfer of troops at sea in a high wind from the heavy landing ship TOBRUK to other Navy ships caused frayed nerves and tensions in Army-Navy relations. Three helicopters became unserviceable and a fourth lost control and carried out a heavy landing onto the deck of TOBRUK.<sup>18</sup>

Australia decided it had to equip the Defence Force to operate, in strength, anywhere in the South Pacific. It was a slow process but we got there eventually. Australia modified two United States tank landing ships to operate as helicopter support ships. The KANIMBLA or MANOORA have entered Australian consciousness for a range of other reasons. But the Pacific purpose for which they were created involves the capacity to embark an Army battalion, to operate three helicopters from the flight deck and carry four other helicopters.

The Australian diplomat and analyst, Stephen Henningham, said the helicopter support ships will give Australia much greater flexibility and control in any intervention in the South Pacific. The KANIMBLA or MANOORA anchoring off an Island capital may not convey the same aggressive message as the arrival over the horizon of a major combat ship. Henningham said a helicopter support ship can operate as a secure offshore command and communications centre not subject to the same pressures as a headquarters established on land: “The more benign presence of a single helicopter support ship could be used to allay fears of interventionism and promote co-operation with the local authorities. In many scenarios it would be less intrusive, and hence less politically difficult, to operate from a platform offshore instead of being obliged to establish an on-ground headquarters and operations centre.”<sup>19</sup>

Australia has more ability than ever before to project military muscle into the Pacific. What is lacking is the broader thinking to relate our security guarantees to other instruments of policy – especially the need to match our security guarantees with effective economic guarantees.

We have to contemplate the reality that we are going to have to start delivering on our promises. For instance, we should be developing a stage below military intervention, involving the Australian Federal Police. In many instances it will be less provocative (and cheaper) to use civilian

police than soldiers. As our commitment to Bougainville has lengthened, perhaps we should have lifted the number of AFP personnel involved in the unarmed monitoring, and cut back defence personnel. The security help we offer the Pacific should have a police dimension, and the AFP needs to be trained and staffed accordingly. Island governments may be able to invite in civilian police where soldiers, even unarmed, would not be acceptable. We should learn some lessons from the horrors that confronted AFP officers serving in East Timor during the preparation for the UN independence vote in 1999.<sup>20</sup> The moral is not to withhold police help, but to factor a continuing Pacific role into police numbers and planning.

Australia has to contemplate the moral dilemma in its security promises. The usual economists' rendering of a moral dilemma is that it's dangerous to give financial guarantees or save people from bad investment or spending decisions; the fact of a guarantor-of-last-resort encourages ever riskier gambles because of the confidence that there'll be no major penalty. Some of the behaviour of PNG's leaders over the years betrays a view that, ultimately, Australia will be there to pick up the pieces. Indeed, New Zealand's evolving view that it doesn't need an Air Force or a Navy is related to a quite rational judgement that any enemy will have to get past Australia to reach the Kiwis. And if the New Zealand Army is going off shore, like as not the Australian Navy and Air Force will be going in the same direction.

If we proclaim our willingness to take action, there will be consequences in the behaviour of others. But the real moral dilemma I see for Australia is that we have not thought through all responsibilities that flow from the security promises that we have made.

The issue of "exit strategies" takes us to the heart of some of these tensions. America gave us the term "exit strategy" in the post-Vietnam era; the idea is central to the doctrine first associated with President Reagan's Defense Secretary, Caspar Weinberger, and then given even further prominence by one of Weinberger's aides, General Colin Powell. To avoid another Vietnam quagmire, there must be a defined exit strategy as the military goes through the front door. It is obviously an important tool to force politicians to face hard decisions (although American military exits seem to be a long time coming in Bosnia, Kosovo and, now, Afghanistan).

Australia has adopted the exit strategy test in the South Pacific without identifying some of its flaws. For instance, America never seems to have bothered with an exit strategy for its relations with neighbours such as Mexico or Canada. Why does Australia, by contrast, try to use the term in dealing with its neighbourhood? AusAid seeks end points/exit points in all its programs in the Pacific, as if one day we will walk out. And the exit strategy taboo, I suggest, was part of the mental furniture that tripped us up in dealing with Solomon Islands.

When the Solomon's Government called Australia early in 2000 and asked for 50 police to be sent to help maintain order in Honiara, the request was denied. Canberra could see no exit strategy for such a commitment. A few months later the worst happened and Solomons fell over the brink. That demand for an exit door before making a commitment is going to cost us dearly. In a couple of years, our aid has trebled to \$36 million – and there are now foreign police pledged to help stabilise Solomons, although they are New Zealanders.

After the chaos broke out, we saw another manifestation of the exit mentality when the Australian Navy was sent to Honiara to evacuate all Australians and other foreign nationals. In private, some in Foreign Affairs will now confess that this evacuation was not our finest hour in the region. Certainly the safety of Australians must always be the first priority. But the offer of a couple of the Australian banks to charter a jumbo jet to take out wives, family and non-essential staff had been declined in favour of the much more high profile military action. This seemed to be the act of a Western power pulling out of a troubled colony and sailing back to Europe. The Australian decision completed the job of gutting the economy that the local fighters had started. We shipped out the experts vital for the Solomon's economy (some of whom have never returned) and sent the message to the rest of the world that the Solomons was closed for business.

When the call came for Australian police early in 2000, what happened to the Strategic Policy promise that we would provide “substantial support” to deal with the breakdown of law and order? Why was Canberra's policy priority the exit strategy, not fulfilling our security guarantees? To get the answer right in future will involve linking our security promises to economic guarantees of equal weight. Australia needs to start talking in terms of community and people rather than aid and exits. We will be held responsible for Pacific failure, no matter how much we plead that they are sovereign states. The international consensus is moving away from the

norms of sovereignty (and exits) towards the right of humanitarian intervention, nation building, regime change and enforcement of international obligations; make your choice, depending where you sit on the political spectrum.

## **PACIFIC COMMUNITY AND PACIFIC PEOPLE**

A group of PNG MPs, led by John Guise, traveled to Canberra in 1966 as a Parliamentary Select Committee to get an idea of Australia's intentions: would Australia really consider the option of integrating PNG into the Commonwealth? The phrase at the time was the idea of PNG as "the seventh state". This meeting in a small committee room in the old Parliament on April 18, 1966, is the date that marks the start of PNG's dash for independence - self government came seven years later and full independence arrived nine years later. The only problem was that the Australians didn't realise what their PNG guests took from the talks.

The brief for the Australian Ministers was to promise nothing, but rule out nothing. Australia believed any change in PNG's status could still be several decades away. The Territories Minister at the time thought there'd be little change until well into 21<sup>st</sup> century and kept using the "seventh state" formula. So from Canberra's perspective, it was the classic "the time is not ripe" meeting where nothing is promised and nothing alters.

But for the Papua New Guineans the talks were momentous. Ian Downs' history of the trusteeship says from that day everything changed for PNG's emerging leadership: "There are occasions, as has been shown in problems of law, mining, land and administration, when rational European arguments and views lose their rationality in a Melanesian reaction. The meeting in Canberra was an example of this."<sup>21</sup>

I think this is a bit hard on the Melanesians because they judged accurately that the Australian side had told them there'd never be a "seventh state" option. So, they decided, PNG better start preparing for something different. The MPs went they back to Moresby and to their electorates and said they'd been rejected by Australia. In pidgin, the phrase was "Orli no laikim mifela", meaning literally "They do not like us."

Unfortunately, today, Australia still sends out the same message to the Pacific – we do not want them. And much of the time we don't even realise the way the negative signals are interpreted.

The great taboo, the ten ton gorilla that nobody will deal with, is our refusal to allow the Pacific to come into Australia as anything but tourists, students or migrants. Over four decades, we have gone from the White Australia policy to a universal, non discriminatory policy. And at no point in that huge shift has there ever been a moment when Australia opened its doors to the Islanders. Australia has unintentionally sub-contracted its Pacific people policy to New Zealand. Polynesians have the right to go into New Zealand and from there to Australia. Melanesians have no such avenue. What that means is that you are much more likely to see a Polynesian face on the streets of Sydney or Melbourne than a Melanesian face.

New Zealand, coming to terms with its sole role as a South Pacific society, has opened its migration doors to the Islands. Australia, dealing with its different Asian and South Pacific identities, has consistently rejected calls to give privileged status to Islanders. Australia has refused to give any special immigration or guest worker status to the South Pacific, arguing that this would compromise its non-discriminatory immigration policy. The unspoken element in the argument seems to be that if one regional home, the South Pacific, gets special migration status, then another regional home, Southeast Asia, would be entitled to claim similar access. And what about the special needs of Papua New Guinea? Having escaped the odium of ranking the races under the old White Australia policy, no administration in Canberra wants to revisit the issue.

For the Islands, the problems of rising populations and expectations mean special access to Australia is of continuing importance. The 1984 review of overseas aid, the Jackson report, said Australia had to adapt its assistance to the special circumstances of the South Pacific and recommended a special immigration program to deal with the unique problems of Tuvalu and Kiribati.<sup>22</sup> Canberra ignored the idea.

Thirteen years later, the Simons review returned to the “vexed issue” of migration for Islanders from the smaller Pacific atoll states where “there is little or no chance of self reliance”. The review said special South Pacific rights to live and work in Australia “may prove to be more cost-effective than continuing high levels of aid in perpetuity. Limited access to Australia, either on a temporary or permanent basis, has been argued for as an effective way to assist the very small states whose only export is labour services. It must be acknowledged, however, that there may not be widespread support for such a move in Australia, given high

unemployment and a desire to protect the integrity of Australia's largely non-discriminatory immigration policy.”<sup>23</sup> This part of the Simons report, as with Jackson before it, was quickly buried.

Submissions to the current Senate inquiry on relations with the Pacific were surprisingly sensitive to this “no go” area – most not even mentioning it. The Australian Council for Overseas Aid came down with a wonderfully undecided conclusion: “The issue of job opportunities for Pacific Islanders in Australia is a complex and sensitive one but the pros and cons of the issue need to be considered.”<sup>24</sup> Business groups said a guest worker scheme for unskilled seasonal work such as fruitpicking “would ameliorate the widely held perception that Australia is unwilling to assist Pacific Island countries in small ways which would be very helpful to them.”<sup>25</sup>

It is time for Australia to tackle the taboo. We should, first of all, stop dealing with this as a migration issue. Let us put it in a completely different category. Allowing a number of Islanders to come and work in Australia each year should be covered by several non-migration headings, including defence, security, aid and regional economic relations. We have a special relationship with the Pacific – we can create special schemes that having nothing to do with permanent migration.

The central concept should be one of partnership with the Island states. This is a key difference from migration, where Australia has, of course, absolute sovereignty. Our aim is to help the Islands so we will do it in concert. Island Governments should take much of the responsibility for running the scheme. They can nominate the workers and take responsibility for whatever conditions or bonds are imposed for a return home.

We are not talking about a large number of people. There are traditional issues that would act to get Islanders to return to their homes, as well as whatever formal undertakings they give to their governments. Many Melanesians would be reluctant to spend too long away for fear of losing their traditional land right claims. Because this would be a scheme run in partnership with the Pacific, Island governments could have some control over the problems of brain drain and loss of expertise. Perhaps even the description “guest workers” could be dropped for something like “Pacific workers”.

Killing the taboo would remove an issue that holds back much else in Australia's relations with the Pacific. Australia is always the hesitant partner. The Federal Cabinet decision in April, 1971, preceding the first meeting of the South Pacific Forum, called for development of the regional grouping to be handled "with extreme sensitivity and without being hurried," and gave a particular emphasis to avoiding embarrassment on migration policy.<sup>26</sup> Such caution has persisted.

I've described people policy as the ten ton gorilla, the taboo topic no one wants to deal with. Probably a better image is of a big dam. Until we breach the dam we can't deal with all the other issues – many of them much easier – held back by our refusal to deal with the number one priority of our neighbours: how to open up new vistas, give new hope and opportunity to their people. We need to stop talking of aid policy in the Pacific and start talking about a Pacific People Policy.

To match our security guarantee with an economic guarantee, it's time for Canberra to advocate the creation of a Pacific Economic Community grouping Australia, New Zealand, Papua New Guinea, the Island states of the Forum and possibly the French Pacific territories.

Australia should be shamed that the European Union was able to force the Forum Island countries to create an Islands-only free trade grouping. Rattling its aid money, the European Commission demanded the creation of a matching trans-national body so it could more easily conduct its business through the Forum Secretariat in Suva. The EU Aid Commissioner toured the region last October telling the Islands that small is not beautiful, small is ridiculous in economic terms. If the EU can move the Pacific to embrace an economic concept that delivers little real benefit to the Islands (and one they've resisted for 30 years) then Australia and New Zealand should become bolder about creating a regional community that could actually do some good.

Australia needs to take note of the core purpose for the creation for the European Community – preventing another war with Germany; just as the United States sees NAFTA as a means to guarantee democracy in Mexico. Our purpose is to prevent the disintegration of small societies and fragile states. We need to put a regional floor beneath Pacific economies. Australia and New Zealand need a broadly-based Pacific Community so that their demands for reform and change are not merely dismissed as new forms of colonialism. Labour mobility would give Canberra and Wellington fresh bargaining power to move the regional

game in new directions. The idea for a Pacific Economic Community is far from new. What is different now is the sense of crisis. Stronger regional structures are needed to give Island states some life support and allow real nation building. This difficult process has to be done while showing due regard to the usual sensitivities about neo-colonialism, interference and paternalism.

Donald Denoon says that to achieve prosperity and harmony, Australia has to revisit and revive the substance - though not the 19<sup>th</sup> Century name - involved in the concept of Australasia: "First we should concede that there is a region and mutual responsibilities within it. What should follow is the creation of a free trade area. Equally necessary is an integrated defence structure. Ultimately the region and its members need something like the European Community, so that currency fluctuations are avoided, capital and technology flow freely, and the benefits of a large market can be enjoyed. Anything less is simply delaying the collapse of the smaller economies and polities, with catastrophic consequences for Australia and New Zealand."<sup>27</sup> When someone with Professor Denoon's long experience in the region starts talking of catastrophic collapse, the polite forms of the Pacific Way are no longer sufficient.

One of the proposals Australia and New Zealand should offer PNG and the Islands is the creation of a regional currency, based on the Australian dollar. New Zealand politicians, business leaders and economists have been debating the inevitable crowning of the Closer Economic Relationship by the adoption of the Australian currency. It is time for Australia to stop waiting passively for New Zealand to surrender to the Reserve Bank in Sydney.

Professor Ron Duncan has argued that Papua New Guinea and Solomon Islands should "dollarsise". Port Moresby and Honiara would be following the example of smaller countries that already use the Australian dollar. Six of the Pacific states have no national currency; three of these use the Australian dollar.<sup>28</sup> Certainly, the "Aussie" already passes the taxi test throughout the region – an Australia dollar can easily buy a taxi ride (with most drivers being able to pitch the exchange rate at just below the level of a painful rip off!).

Professor Duncan says dollarisation of countries such as PNG and Solomons would:

- Curtail the ability of governments to indulge in profligate deficit financing
- Remove the temptation that a cash-strapped government will just print money and fuel inflation
- Reduce currency risks facing investors
- Substantially reduce inflation and interest rate risks
- Save the costs of a central bank and move highly valuable staff to core government jobs in financial management<sup>29</sup>

A Pacific Economic Community and dollarisation are means to attack the corruption and despair eating at Melanesia and threatening other parts of the Pacific. Such ideas fit easily with the world view of the Howard Government, with its commitment to globalisation and free trade. The benefits for the region would be considerable while the economic costs to Australia are relatively slight, as are the gains (Australia already provides an average of one-third of Island imports). The geopolitical spin, though, might be interesting: Australia at the head of a new Economic Community involving 14 developing nations.

Australia has to move beyond being Uncle No: the grump sitting at the head of the table always saying no, it's too hard, we can't deal with, it'll cause domestic problems. Once we start dealing with the people issue then we become the energetic, experienced Uncle with huge resources and life skills who can offer leadership, guidance and hope on a whole range of economic issues.

To be flippant for a moment, we are taking up as a burden the place everybody else in the world wants to go on holiday. The lucky country lucks out again – we get to do institution building in paradise. We may not be able to get too many of the young adults or the “young retirees” to do extended time in much of the developing world. But what a pitch in the Pacific—we want you to help save countries only a few hours flight away, that are Christian and English speaking, that know and understand us but at the same time offer extraordinary riches of history, culture, environment and community...oh, and by the way you can leave your jumper at home and take your pick of the surfing and the diving. A people policy in the Pacific rather than just an aid policy means getting the Australian people involved as well. Aid in the hands of the people rather than consultants is a slogan with a fine ring to it.

It's time for Australia to stop being Uncle No and embrace our responsibility. Perhaps I should use an old fashioned and valuable word –

duty. The King was always told that he had two fundamental duties – to protect the realm and to protect the currency. In the Pacific we are already in the realm protection business and eventually, I think, it will be our currency as well. It's time we embraced those roles. There is no exit strategy for us in the South Pacific. After all, this is where we live.

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<sup>1</sup> Robert Menzies, *The Age*, Melbourne, April 27, 1939, quoted in E.M.Andrews, *A History of Australian Foreign Policy: From Dependence to Independence*, Longman Cheshire, Melbourne, 1985, p.105.

<sup>2</sup> Donald Denoon, *Australasia: From a conceptual past to a conceivable future*, Speech top the Centre for International Studies, New Delhi, December, 2002, p.10.

<sup>3</sup> Australian Strategic Policy Institute, *Beyond Bali: ASPI's Strategic Assessment 2002*, Canberra, November, 2002, p.29.

<sup>4</sup> Joint Parliamentary Committee on Foreign Affairs, Defence and Trade, *Australia's Relations with Papua New Guinea*, Canberra, 1991, p.1.

<sup>5</sup> 44,251 Fijians were resident in Australia in the 2001 census. The exodus to Australia of Fijians - overwhelmingly Indo-Fijians - since the first coup in 1987 means Fijians are the largest Pacific population in Australia after New Zealanders.

<sup>6</sup> Australian Strategic Policy Institute, *Beyond Bali: ASPI's Strategic Assessment 2002*, Canberra, November, 2002, p.29.

<sup>7</sup> *Ibid*, p.29.

<sup>8</sup> Centre for International Economics, *Potential economic impacts of an HIV/AIDS epidemic in Papua New Guinea*, Prepared for AusAid, February, 2002.

<sup>9</sup> Kumar, Sunil & Prasad, Bitman, "Fiji's economic woes: a nation in search of development progress", *Pacific Economic Bulletin*, Volume 17, No. 1, 2002, p.3.

<sup>10</sup> Defence White Paper, *The Defence of Australia*, Commonwealth of Australia, Canberra, 1987, p.17.

<sup>11</sup> Gareth Evans, *Australia's Regional Security*, Commonwealth of Australia, December, 1989, p.22.

<sup>12</sup> Department of Defence Strategic Review, *Australia's Strategic Policy*, Commonwealth of Australia, Canberra, December, 1997, p.21

<sup>13</sup> Department of Defence, *Defence 2000: Our Future Defence Force*, Commonwealth of Australia, Canberra, December, 2000, p.44.

<sup>14</sup> Anthony Bergin, *The Pacific Patrol Boat Project: A Case Study of Australian Defence Co-operation*, Australian Defence Studies Centre, Canberra, May, 1994, p.16.

<sup>15</sup> Department of Defence, *Defence 2000*, p.44.

<sup>16</sup> Adrian D'Hage, 'Operation Morris dance: An outline of the history of the involvement of the Australian Defence Force in the Fiji Crisis of May, 1987', *Australian Defence Force Journal*, January/February, 1990, p.5.

<sup>17</sup> Joint Committee on Foreign Affairs, Defence and Trade, *Australia's Relations with the South Pacific*, AGPS, Canberra, 1989, p.153.

<sup>18</sup> D'Hage, p.10.

<sup>19</sup> Stephen Henningham, *The Pacific Island States: Security and Sovereignty in the Post-Cold War World*, Macmillan Press, London, 1995, p.146.

<sup>20</sup> For one record of the experience, see David Savage, *Dancing with the Devil: A personal account of policing the East Timor vote for independence*, Monash Asia Institute, Victoria, 2002.

<sup>21</sup> Ian Downs, *The Australian Trusteeship: Papua New Guinea 1945-75*, AGPS, Canberra, 1980, p.375.

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<sup>22</sup> Jackson Report, *Report of the Committee to Review the Australian Overseas Aid Program*, AGPS, Canberra, 1984, p.181.

<sup>23</sup> Report of the Committee of Review on The Australian Overseas Aid Program, *One Clear Objective: poverty reduction through sustainable development*, chairman H.Paul Simons, Commonwealth of Australia, Canberra, 1997, p.116.

<sup>24</sup> Australian Council for Overseas Aid, *Submission to Senate Foreign Affairs, Defence and Trade Committee: Inquiry into Papua New Guinea and the Island States of the Southwest Pacific*, Submission No. 37, 2002, p.35

<sup>25</sup> Australia Fiji Business Council, Australia Pacific Islands Business Council & Australia PNG Business Council Joint Submission, *Submission to Senate Foreign Affairs, Defence and Trade Committee: Inquiry into Papua New Guinea and the Island States of the Southwest Pacific*, Submission No. 15, 2002, p.;15.

<sup>26</sup> National Archives, *Cabinet Papers 1971*, Series A5908, Submission 47, Decision 94, April 20, 1971, p.2.

<sup>27</sup> Donald Denoon, *Australasia: From a conceptual past to a conceivable future*, Speech top the Centre for International Studies, New Delhi, December, 2002, p.13.

<sup>28</sup> Cook Islands uses the New Zealand dollar, Marshall Islands and Federated States of Micronesia use the US dollar; Kiribati, Tuvalu and Nauru use the Australian dollar.

<sup>29</sup> Ron Duncan, "Dollarising the Solomon Islands Economy", *Pacific Economic Bulletin*, Vol. 17, No. 2, November, 2002, p.146-147.