

Confidential filing

Visit of Sir Julius Chan,
Prime Minister of
Papua New Guinea
Visit of Michael SOMANE CH
Prime Minister of Papua New Guinea

PAPUA NEW GUINEA

APRIL 1981

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
4-5-81							
15-5-81							
28-6-81							
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10 DOWNING STREET

From the Private Secretary

24 April 1985

Dear Peter,

MEETING BETWEEN THE PRIME MINISTER AND THE
PRIME MINISTER OF PAPUA NEW GUINEA
AT 10 DOWNING STREET ON 24 APRIL AT 1215

The Prime Minister received the Prime Minister of Papua New Guinea this morning. Mr Somare was accompanied by the Papua New Guinea Minister of Foreign Affairs and Trade, and the Papua New Guinea High Commissioner in London. The Foreign and Commonwealth Secretary and Dr Wilson were also present.

The Prime Minister invited Mr Somare to give an account of Papua New Guinea's development. Mr Somare said that on the whole things were going quite well though low prices for copper and gold had caused problems. These problems had been particularly acute in the case of the Ok Tedi project. However, following discussions with the shareholders, a decision had been reached to reopen the mine. The Prime Minister asked whether the Davy Corporation were well placed to secure the lead contract for the second phase of the Ok Tedi project. Mr Somare said that discussions were taking place with Davy. He did not know when the contract would be let but the indications were that Davy would be favourably considered.

Mr Somare continued that some important decisions had to be taken, in particular the renewal of Papua New Guinea's aid agreement with Australia for a further five years. He had accepted in principle that there should be a percentage decline in this but he wanted some guarantee against the consequences of a fall in copper prices.

Mr Somare commented that Papua New Guinea's population was growing at close to three per cent a year. This was causing problems particularly in finding employment for those leaving school, with attendant social problems such as hooliganism. He was looking at the possibility of introducing National Service as one way to deal with the problem.

The Prime Minister said that she was concerned by developments in Anzus following the decision of the New Zealand Government to prohibit visits by nuclear powered ships or ships carrying nuclear weapons. Mr Somare said that Papua New Guinea took a different view from

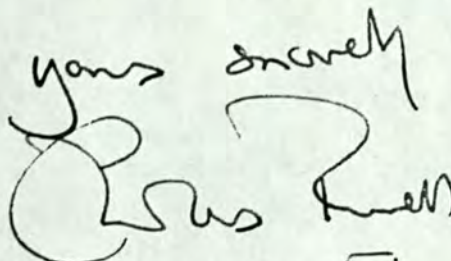
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New Zealand. While they agreed with Mr Lange in opposing nuclear tests and the dumping of nuclear waste, they had a quite separate position on nuclear ship visits. Small countries such as Papua New Guinea needed allies and had to be loyal to them. The Prime Minister welcomed this view. There were ways to solve the problem as Australia had demonstrated. Mr Somare commented that Australia was a good neighbour and a good friend.

The Foreign Secretary said that in his separate discussions with Mr Giheno, they had agreed that the apparent determination of Kiribati to conclude a fishing agreement with the Soviet Union was a cause for concern. Mr Somare commented that it had indeed come as something of a shock. Papua New Guinea itself was continuing to resist attempts by the Soviet Union to open an embassy in Port Moresby although they had invited the Chinese to do so. In his view, the Chinese were "harmless", although Papua New Guinea had to be sensitive about Indonesia's reactions. The Prime Minister expressed concern about the situation in the Philippines which could be destabilising for the area as a whole. Mr Somare said that Papua New Guinea had only minimal contacts with the Philippines. They were however worried about events in New Caledonia and by reports that Cuba and the Soviet Union were both showing a heightened interest in establishing a presence in Vanuatu.

The Prime Minister said that she had been impressed during her visit to Indonesia by President Soeharto's success in consolidating the unity of that country. Mr Somare said that Papua New Guinea still had some problems over the influx of refugees from Irian Jaya. Opponents of Indonesian rule brought their families over the border into Papua New Guinea and then returned to fight against Indonesia. Mr Somare continued that he enjoyed good relations with President Soeharto but there had been difficulties with the Indonesian armed forces along the border. Part of the problem was communications: it took up to six weeks for news from Irian Jaya to filter back to Jakarta.

The meeting ended at 1255.

Yours sincerely


(Charles Powell)

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

PRIME MINISTER

Meeting with the Prime Minister of Papua New Guinea

He is coming for 40 minutes before lunch. The briefs are attached together with a background note on Papua New Guinea.

The subjects which he wishes to raise are:

- (i) the Ok Tedi mining project;
- (ii) the possibility of a bilateral aid programme (nothing much we can do); and
- (iii) ways to attract more investment.

I suggest that you ask him generally about Papua New Guinea's development plans and tell him a bit about your recent visit to Indonesia and other countries in the area.

I also attach some notes for a speech at lunch.

EDP

23 April 1985

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Foreign and Commonwealth Office

London SW1A 2AH

22 April, 1985

Ch.

Dear Charles,

Call on the Prime Minister by Mr Somare, Prime Minister of
Papua New Guinea: 24 April

I enclose a brief for the above meeting. Mr Somare has told our High Commissioner that he would like to discuss three subjects with the Prime Minister - the Ok Tedi mining project, possible bilateral aid for Papua New Guinea and ways of attracting increased British investment there. The briefing covers these points.

I also attach the following material:

- (a) a Background Note on Papua New Guinea;
- (b) a map of Papua New Guinea with Ok Tedi marked by a cross;
- (c) biographical notes on Mr and Mrs Somare, Mr and Mrs Giheno (Minister for Foreign Affairs and Trade), Mr Yauieb (Secretary, Department of the Prime Minister), Mr Tarua (Papua New Guinea High Commissioner).
- (d) a draft of a short speech which the Prime Minister may wish to make at the lunch.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

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PRIME MINISTER'S MEETING WITH THE PRIME MINISTER OF PAPUA NEW GUINEA AT 12.15 ON 24 APRIL 1985

Our Objectives

- (a) to explore how we can increase our direct exports to PNG and our investment there;
- (b) to reaffirm general UK interest in Ok Tedi mine and support Davy McKee's bid for lead position in next stage of its development.

Argument

- (a) In 1984 our exports to PNG fell by 20% over 1983 whereas their exports to the UK were up by almost 150%. British prices competitive especially if shipped direct, eg by Bank Line Services.
- (b) Davy McKee are experienced world leaders in copper processing technology who would give PNG excellent value for money. UK companies very interested in buying copper.

His Objectives

- (a) to restore confidence in the Ok Tedi mining project after recent disagreement between PNG Government and foreign shareholders; possibly to seek a UK Aid input in return for giving Davy McKee a negotiated contract and possibly (but unlikely) to seek modification of the terms of the original loan and perhaps the grant of additional money;
- (b) to explore the availability of a bilateral aid programme from the UK and to negotiate a Memorandum of Understanding (MOU) for such assistance;
- (c) to ascertain whether Plessey's application to make a feasibility study of Jackson Airport, in Port Moresby, will be accepted under the Aid Trade Provision.

/Your

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Your Response

- (a) The UK pleased by recent agreement to proceed with Ok Tedi, but understand that a few procedural matters remain to be settled before new approved proposals are ratified. Already large amount of low interest credit committed by ECGD to Ok Tedi [US\$258m], some of which still available [US\$97m]. (If Mr Somare does raise the terms of the original loan or indeed press for more money, he could be told that we are prepared to look at proposals put to us by shareholders and lenders.) Yet to see details of revised project; aid will not be easy. Heavy demands on our resources.
- (b) Demands on our aid resources stem partly from substantial UK contributions to the international organisations - World Bank, UNDP, European Development Fund and the Asian Development Bank. PNG benefits from these. Requests for new bilateral programme have to be studied with care. No point in considering MOU unless prior agreement on a bilateral programme.
- (c) A firm decision will be made shortly on whether HMG will be able to offer aid for the study (if pressed - our previous aid offer was exceptionally extended for over two years).

BACKGROUND

1. Prime Minister last met Mr Somare in Delhi at the CHOGM of November 1983.

Trade

2.	1979	1980	1981	1982	1983	1984
UK Exports to PNG	10,409	10,978	11,317	15,911	18,236	14,643
UK Imports from PNG	30,148	22,861	18,507	28,031	28,142	68,245
Trade Balance	-19,739	-11,883	-7,190	-12,120	-9,906	-43,602

The large proportion of the exceptional increase in PNG exports to UK can be accounted for by a four-fold jump in exports of palm

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oil and copra. This is directly related to a general world-wide shortage of vegetable oils. Total PNG exports of these products to the UK in 1984 were up by 183% on 1983 levels; such changes in PNG's export performance clearly demonstrate the capricious nature of selling in world commodity markets on which PNG is dependent for much of its overseas earnings.

3. The UK share of the PNG market has risen slowly in the last few years and, on the published trade statistics, the UK remains in sixth position of the main suppliers; our main competitors being Australia and Japan. However, the UK export figures do not take into account the unquantifiable volume of British goods which PNG imports indirectly eg from Australia and Hong Kong. PNG trade figures indicate that there could be up to 100% difference eg UK exports to PNG in 1981 amounted to £11.3m but PNG's statistics indicate a figure of £22.6m. The main UK shipping company involved in PNG - Bank Line - report a substantial quantity of British goods being exported for the Ok Tedi project.

4. The main UK exports to PNG are all manufactured goods - machinery and equipment, metals and metal manufactures, chemicals and related products. Our main imports from the market are edible oils and coffee. Although our traditional relatively small imbalance on visible trade with PNG widened substantially in 1984, there are significant British invisible earnings from the market, estimated at some £17m in 1983. The major receipts are from remittances and profits, transport services (shipping and airways) and consultancies.

Foreign Investment

5. The major new foreign investment prospects are in natural resources development, such as hydro-electricity, fishing and the major Ok Tedi gold and copper project. Companies with substantial British investment had mixed results in 1983 although most showed good progress following poor returns in 1981 and 1982. The

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largest single investment, Bougainville copper (RTZ have approx. 30% interest), had a healthy return to profitability. Latest estimates indicate that total British investment is in excess of £246m.

Ok Tedi

6. Ok Tedi, a gold and copper mine in remote area of PNG, is to be the major source of PNG revenue in 1990s and beyond.

7. First stage of development undertaken by Bechtel. ECGD supplied substantial finance for UK equipment and services. Davy McKee have been working to secure lead contractor position for second stage worth up to \$600m. Supporting finance, including possibly substantial ATP under discussion for past two years.

8. Recently, because of low gold/copper prices, scope of project reduced and delayed after dispute between PNG Government and private shareholders. Davy still keen to lead second stage.

9. British Insulated Cables (BICC) and Imperial Metal Industries (IMI) have strong interest in buying copper though have difficulty competing with effectively subsidised Japanese terms.

British Aid to PNG

10. There is no British bilateral aid programme for the PNG. The vast majority of aid to the PNG comes from Australia (90%), which provides a sum in excess of £200m per annum.

11. However the VSO programme in PNG is our second biggest. It consists of over 80 volunteers at present, mainly in agriculture, education and health. Other UK aid contributions include: Training and Scholarship programme £45,000 p.a administered by the British Council.



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12. In 1983 the Commonwealth Development Corporation committed £29m to oil palm and sugar cane projects, of which £96,000 was spent in that year.

13. The British High Commissioner has proposed a programme of bilateral aid building up to £250,000 after 3 years. This is under consideration, but with severe pressure on the aid programme in general, the chances of it being agreed are slim.

14. In total US\$58.7m was received by PNG in 1983 through multi-lateral organisations. This included UK contributions through the World Bank, European Development Fund, United Nations Development Programme, and Asian Development Bank.

15. In 1981 PNG pressed for a MOU on aid even in the absence of a bilateral programme. ODA believe that a MOU is irrelevant without prior agreement on a bilateral aid programme.

Jackson Airport

16. Plessey Airports Limited have been pursuing an opportunity, since 1981, to participate in the modernisation and extension of Jackson's International Airport. The project value is estimated by Plessey at £28.5m of which the potential UK content is approximately £20.5m.

17. The first step in redevelopment is a Master Plan Study. We made an ATP offer for Plessey to undertake the study in October 1981. The project subsequently failed to receive the necessary PNG go-ahead, and the offer lapsed in March 1984. Shortly afterwards the PNG Cabinet agreed that the Master Plan Study be undertaken, and by Plessey. A formal request was received from the PNG Department of Foreign Affairs and Trade at end June 1984 for HMG to provide 100% funding for the study. A case seeking to resurrect ATP for the study (£450,000) was submitted in August 1984. The ODA have been re-appraising the project in

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the light of a French Transportation study and think that the proposals for ATP support are over-ambitious. The terms of reference may yet be pruned and provide for an effective study for upgrading the airport.

South Pacific Department, FCO

19 April 1985

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VISIT TO THE UK BY PRIME MINISTER OF PAPUA NEW GUINEA, MR MICHAEL SOMARE : 22 - 25 APRIL 1985

	PNG	UK
Population	3.2m (1983)	56m (1982)
Area	461,690 sq km	224,946 sq km
Population Growth Rate	3.06 per cent	0.1 per cent
GNP per head	US \$840 (1981)	US \$9,110 (1981)
Growth Rate (real GDP)	2.3 per cent	0.7 per cent
Total exports (1982)	US \$727.2m	US \$97,094m
Total imports (1982)	US \$1,017.9m	US \$93,505m

Historical ties: British interests in PNG

1. British interest in the area dates from Cook's voyages and the foundation of New South Wales (1788). However, it was only much later, with the intervention of other powers in the region (notably France and Germany), that the UK felt the need to extend the limits of formal rule. In the case of Papua much of the pressure came from the Australian colonies. There were also humanitarian elements, such as regulation of European adventurers, who had been exploiting the indigenous inhabitants and pressure from missionary groups. This led in 1884 to the declaration of both German and British protectorates over New Guinea and the Bismarck Archipelago.

2. The preponderance of Australian interest was shown in 1906 when the recently formed Commonwealth of Australia took formal

/responsibility

responsibility for the British protectorate. During the Great War Australian forces occupied German New Guinea in 1914 and, after 1920, Australia received the League of Nations mandate for this territory. By now Australian commercial interests had become well established, the legacy of which persists to this day.

3. There was, therefore, little direct British involvement although PNG was, as part of the Empire, involved in events which were not of her own making; most notably the Second World War when the north of the country was occupied by the Japanese. The country was the scene of some heavy fighting and many of the local inhabitants loyally served the Allied interest. In 1946 the UN awarded trusteeship to Australia who remained responsible for the territory until independence in 1975. Since then ties with Britain have strengthened. PNG looks to us more and more as a source of advice and skilled manpower. In January 1984 there was a successful Royal Naval visit, followed by a visit from The Prince of Wales in August and a trade mission led by Lord Jellicoe in October.

Political

4. Papua New Guinea has a unicameral legislature with 109 members elected every four years by universal adult suffrage. Since 1975, nineteen provincial governments have also been formed. These enjoy a certain amount of autonomy.

5.

Except for

a brief inter-regnum in 1980-82 (when Sir Julius Chan, of the People's Progress Party, led a coalition of small parties) Parliament has been dominated since 1975 by Prime Minister Somare and his PANGU party. Since 1982 the Opposition has been fragmented and largely ineffective. It failed in March this year to unseat Mr Somare with a vote of no confidence. This move was led by Mr Paias Wingti, who until then had been the country's Deputy Prime Minister.

Parliament has ^{now} been adjourned until the end of May. The next elections are due in 1987.

The Economy

6. Some 90% of PNG's population are subsistence farmers, and make no contribution to the cash economy, which is dominated by commodity exports (eg copper, coffee, copra, cocoa and oil palm). In 1982 imports were nearly 60% and exports nearly 36% of GDP. With an open economy and hard currency policy PNG is vulnerable to commodity price fluctuations. In 1982/83 the world recession hit commodity prices and squeezed Government revenue and foreign exchange resources. Some commodity prices have recently become more buoyant, leading to the beginnings of a recovery for PNG's economy. Many have high hopes of the large Ok Tedi mining project in the Western Highlands, where gold and copper deposits could show sizeable returns given high commodity prices.

/7. Australia's

7. Australia's large untied budgetary aid commitment, worth A\$255m (about £170m) for 1984/85, provides a stable basis for economic planning but by agreement this is to fall by 2% pa in real terms.

8. In 1984, UK imports from PNG totalled £68.245 millions and exports to PNG £14.643. Britain has no bilateral capital aid programme, but contributes through such bodies as the CDC* (which has a palm oil project at Popondetta, a major stake in Ramu sugar and is interested in the Rouna Falls hydro-electric power scheme), the EDF* and World Bank. PNG attracts very large numbers of VSO workers, who may number between 90 and 100 at any time.

Foreign Policy

9. PNG's foreign policy is dominated by dependence on Australia in defence and economic fields, and by the presence of Indonesia, with which it shares a long and largely uncontrolled border. Relations with the latter are complicated by problems associated with the activities of the Organisasi Papua Merdeka (OPM), a small and poorly organised group fighting for independence for Irian Jaya (the western half of the island of New Guinea, which is part of Indonesia). OPM activities have led to an influx of refugees (estimated at 6,000) into PNG, straining resources and relations with Indonesia.

* CDC - Commonwealth Development Corporation

* EDF - European Development Fund

10. PNG pursues a sensible and moderate foreign policy that is pro Western and wary of the Soviet bloc. The Soviet Union has diplomatic relations with PNG but as yet no embassy, although it seems poised to open one, whilst the People's Republic of China does maintain an embassy in Port Moresby. PNG is a committed member of the Commonwealth and hosted a Commonwealth Heads of Government Regional Meeting (CHOGRM) in 1984.

11. As a member of the South Pacific Forum and South Pacific Commission, PNG is a keen supporter of rationalising the functions of these bodies into a Single Regional Organisation. PNG also supports independence for the French Pacific Territories (New Caledonia and French Polynesia); is a leading opponent of French nuclear testing at Mururoa, and of dumping of nuclear waste in the Pacific; and supports the concept of a South Pacific Nuclear Weapons Free Zone. As an observer at ASEAN, PNG has worked to develop good relations with its members. The dynamism and economic strength of South East Asia is attractive as an engine for the development of the Pacific, though PNG has emotional and cultural ties with other Melanesian states in the region.

Papua New Guinea

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PACIFIC PUBLICATIONS
SYDNEY



SOMARE, THE RT HON MICHAEL THOMAS, CH

Prime Minister from 1982. Chief Minister 1972-75 and
Prime Minister 1975-80.

He comes from Karau Village, in the Murik Lakes area, East Sepik Province, but was born (9 April 1936) and spent his early childhood in Rabaul, East New Britain, where his father was a police sergeant; returned to Murik Lakes because of the war; first attended school under the Japanese and, when the war was over, continued his schooling in Wewak. 1956 entered Sogeri Education Centre for a teacher training course. But his early career as a teacher and educational administrator was overtaken by his increasing activity in the media and among the few who believed in self-government.

He was closely involved in forming the Pangu Party in 1967. In 1968, he stood for election and won the East Sepik seat in the House of Assembly. He was elected the Pangu Party's Parliamentary leader. 1968-72 he served on Parliamentary committees and visited countries in Africa and Asia in addition to Japan and the USA.

After the 1972 election, he lobbied successfully to form the National Coalition Government and was elected unopposed as its Leader and Chief Minister. He became Papua New Guinea's first Prime Minister at Independence on 16 September 1975 and was returned to office with increased support following the 1977 General Election. Became a Privy Councillor in the 1977 New Year Honours List and a Companion of Honour in the 1978 Queen's Birthday List.

Visited London, for the first time, as guest of the UK Government in 1975 and again for the Commonwealth Heads of Government Meeting in 1977.

Roman Catholic. He speaks English, Pidgin and Murik.

Married 1965; five children.

SOMARE, Mrs Veronica

Age: : 38 Years
Village : Kis-Angoram
Province : East Sepik
Education : Community School, East Sepik Province
Interests : Gardening and Cooking, Flowers (Orchids)
Likes and dislikes :
Food : No particular preferences
Beverage : Soft drinks
White wine (sparkling)

GIHENO, MR JOHN

Minister for Foreign Affairs and Trade since December 1984.

Born 1949 Tonteue Village, Henganofi, Eastern Highlands Province. BSc from UPNG, Diploma of Education. Secondary school teacher, then self-employed businessman. MP for Henganofi Open (Independent Pro-Somare) since 1982. Minister for Police 1982-84.

As Minister for Foreign Affairs has visited Brussels and Burundi on ACP business.

Married, 3 children. Seventh Day Adventist. Speaks English, Pidgin and local language.

GIHENO, Mrs Julie

Date of Birth : 28 September 1952 - Rakemanda, Enga Province

Education : 1968 Completed Grade 9, holds Primary School
teaching certificate

Taught in community school for five years.

1975 : Clerk, local government council

1976 : Private business

Interests : Keen interest in organising women's groups in
sports and other social activities

YAUIEB, Mr Andrew

Secretary, Department of the Prime Minister.

Aged 36, from village near Wewak, East Sepik Province. As a public servant he has specialised in forestry. A graduate of Bulolo Forestry College, then of University of Papua New Guinea and the Australian National University (both in science). He has also studied at the University of Georgetown, Washington (Certificate in International Negotiations).

Working in forestry from 1969-83, he became Director of Forests in 1977 and held this post until July 1983, when he took up his present position.

Married; three children.

TARUA, MR ILINOME FRANK

PNG High Commissioner to the United Kingdom since 1983.

Born 1941; educated Sogeri High School, Sydney University and University of Papua New Guinea. Studied law.

Papua New Guinea High Commissioner to New Zealand 1980. Permanent Representative to the UN 1980-81, when he was recalled to be Secretary of the Public Services Department. Appointed Secretary of the Prime Minister's Department by Mr Somare August 1982.

A keen cricketer and active in several other sports.

Married (his wife Susan is Australian). Two daughters.



With the compliments of

DEFENCE DEPARTMENT

P.P. GORDON WETHERELL.

9.4.85

**FOREIGN AND COMMONWEALTH OFFICE
LONDON, SW1A 2AH**



Book Reviews

ACADEMICS DISSECT PNG TO MAKE A PIECE FOR THE COFFEE TABLE

According to Peter Hastings, who edited *Papua New Guinea—Prosperous's Other Island*, it is a coffee table book for academics. That's as maybe, but certainly a whole gaggle of the Top Cats of the academic world contributed to it.

Two doctors (non-medical), three professors, a judge, three university lecturers; our old friend Robert Langdon (who used to be assistant editor of *Pacific Islands Monthly*, and is now executive of the Pacific Manuscripts Bureau, Australian National University); someone calling himself Tokara, which is said to mean "stinging nettle" in a New Britain language, and from which we may guess that he is a PNG public servant who fancies himself as a stirrer; and lastly, one lone Papuan, Oala Oala-Rarua, politician, currently aspiring to the Secretary-Generalship of the South Pacific Commission, and who, by the time this is being read, will or will not have made it.

There are also 50 pages of coloured photographs, all beautiful or interesting, by Kerry Dundas and half a dozen other people.

Together this illustrious crew covers New Guinea history, geography, wildlife (human and otherwise), social change, politics, the economy and the future. If some of the factual bits seem dimly reminiscent of the *Pacific Islands Year Book* or the *Handbook of Papua New Guinea*, don't be fooled. It probably means nothing except that we tap the same sources.

This is not a reference book with coloured pictures, but a collection of essays by a dozen individuals, many of whom, naturally, feel how much better things would be in the Territory if only they were God, or even the Minister for External Territories.

But let's leave the academics and take the politician. Oala Oala-Rarua bravely chose the subject of race-relations and is mild about it, in contrast to what some of his colleagues



Oala Oala-Rarua . . . a brave choice but mild about it.

in the House of Assembly would no doubt have done.

He is, he says, proud to be known as a native of Papua New Guinea, because that is what he is; and although he has had many experiences of being referred to as *boi* by arrogant *mastas*, he is sceptical of the various circumlocutions—"indigene" and "expatriate" and "non-indigene", etc.—of over-sensitive officialdom which has banned "native" from official use.

"It would be foolish to state that Papua and New Guinea has no problems of racial disharmony," he says, although he believes that the Territory has come a long way towards bringing the various races closer together since the war.

He was too young to remember the pre-war days, but he believes that race relations then were "generally bad" with very little attempt at getting both parties to mingle—a point on which most people who do remem-

ber the pre-war days will take issue.

Race relations then were not bad; they were non-existent. Between native and non-native there was, at best, respect; and, for the most part, tolerance, each party going its own way except in the very limited field in which it was of mutual advantage to get together. There is far more dislike, hatred, friction and tension in the Territory today, when the two races are mingling and in a sense competing, than before the war. No doubt a phase to be got through, in this type of situation, as a prerequisite of independence.

He has something to say about job opportunities for Papuans and New Guineans and how they are disadvantaged; pleads for some enlightenment by the Australian Government as to where Papua-New Guinea is going, and when; and concludes:

"Another sore point in Papua and New Guinea is Australia's immigration policy for the native people of the Territory . . . the fact that Papuans are Australian citizens does not mean a thing. Papuans experience great difficulty in acquiring permits to visit Australia even though they are Australian citizens and hold Australian passports. They cannot live in Australia permanently, even if they desire to do so . . . I believe that either the Papuans (I am one) should throw away their useless Australian citizenship and seek to have Papua become a trust territory of the United Nations together with New Guinea and work towards a common future, or New Guinea should cease to be a trust territory and together with Papua become part of Australia. We must choose one course or the other. Personally I believe that Papua and New Guinea must become one united, independent country. I hope that it will be called New Guinea and its people, Papuans."

Well, at least the last bit is original. The rest of the essays in this

vol XLII

book, are by contrast, predictable, most of the authors having said the same thing elsewhere.

As a coffee-table book it is no worse than most of its kind and in one respect it is better—it's mercifully smaller, being about the size of this PIM, but 230-odd pages thick.

It is well got up, beautiful to look at, cold, humourless and totally lacking any indication of the spirit of the place; that indefinable something that gives New Guinea its uniqueness, its personality. The reader would never guess from this sterile collection of fact and political theory that the Territory is a warm, human, entertaining place that can be loved by ordinary mortals—perhaps the photographs were supposed to do that job.

For those who think my strictures too severe, let me hasten to say that as an occasional reviewer I've had a lot of coloured picture books about PNG and that people (including myself) who pontificate about that territory these days, give me a pain in the same place. But I have it on good authority, from booksellers in Papua New Guinea, that colour-books, even when as expensive as this one, go off like hot cakes. May the academic Top Cats become Fat Cats on the proceeds.—JT.

Published by Angus and Robertson, from Hong Kong; \$12).

WHERE are few families in the world more discussed, looked at, admired and criticised than Britain's Royal Family—better still, the British Commonwealth's Royal Family.

As a family, they're at a disadvantage. Kings and queens are not as commoners, so many think. Hence, their families must be different. They must have all the virtues and none of the vices of other families. They're in the public eye in such a way that no one in his right mind would envy them and they must live their whole life continually glancing over their shoulder to see if anyone is looking. True or false? A recent court case in England involving Lord Snowdon and a shutter snoop demonstrated that that can be annoying.

But what does the Royal Family think of it? The Queen, with Prince Philip as an enthusiastic supporter—some say it was his idea—gave the world an insight into their family life in the film *Royal Family*. But, especially in the Islands, everyone doesn't see a film. Andrew Duncan bridges the gap with a Pan paperback *The Reality of Monarchy*, which shows the Royal family as it is—one of Britain's oldest institutions striving to do a good honest job.—JC.

THE REALITY OF MONARCHY, Pan (1967) \$1.25).



A Sepik crocodile, 15 ft 4 in. of cruel death—one of the many excellent coloured photographs which should help "Papua New Guinea, Prospero's Other Island" to sell like hot cakes.

R. W. Robson's 'Queen Emma' to be republished

Entrepreneurs who revive productions "by popular request" are usually looked upon with suspicion; so too, probably, are publishers. But you can take our word for it that this is the only reason we are now republishing *Queen Emma*, by R. W. Robson.

Because of high printing costs here in Australia we have done our best to avoid just this since the book went out of print about two years ago, in spite of requests from New Guinea and elsewhere.

Now we have been persuaded to produce another, if smaller, edition and this should be available shortly. The book will look a little bigger than the 1965 edition, have a different coloured jacket; some maps have been redrawn; a few obvious corrections made to the text; and we have discovered and included a couple of old photographs never before published.

Otherwise, this is still the story of Emma Coe, born in Apia, Western Samoa of an American father and a Samoan mother, who married an Englishman, James Forsayth, but ran away to New Guinea in 1878 with an Australian lover.

In New Guinea, Emma became the first coconut planter, grew wealthy and introduced to those islands numerous members of her family who left their mark by laying the foundations

of what is still New Guinea's and the Pacific Islands' agricultural industry.

Emma finally married a German army officer and died in Monte Carlo just before World War I. *Queen Emma* covers the period in Samoa from about 1850 to the late 1870s; and New Guinea, from 1870 to 1914.

In Samoa in 1971 there are few reminders of Emma and her family; but in the vast coconut planting industry of the Gazelle Peninsula of New Britain she cannot be forgotten. Even the Tolais on their various modern rampages and claims over land titles still find Emma and her brood—or the way they tied up land—forces to be reckoned with.

Queen Emma is a New Britain legend; time has softened her into being a romantic heroine instead of a tough trader and planter and today she is even a tourist gimmick. Visitors to Rabaul may go on a "Queen Emma tour" or eat in a "Queen Emma" restaurant.

R. W. Robson's story is of the real Emma. Good looking, as most part-Samoan women are; passionate and with a great sense of family—on the one hand, but with all the shrewd ability of a Yankee trader on the other.

Price of the new edition will be \$4 plus postage.—PUBLISHER, PACPUB.

Overall it does seem a little ambitious to attempt to sustain interest in a complete book of black and white photographs however good each may be. However, the presentation, design and layout of the book helps considerably.

The poems are interesting, but one cannot help feeling that something must be lost in the translation of many. Perhaps they cannot be successfully translated from the simplicity of the primitive language to the complexity of the modern. They may be highly meaningful in their local context, but in the translation the symbolism often seems to become confusingly esoteric.

SJM

PAPUA NEW GUINEA: Prospero's Other Island, ed. Peter Hastings, Angus and Robertson, \$12.

For three generations, Australia has been engaged in a responsible task in Papua New Guinea. Just how it has been going about its task and the response of the people are discussed in this book, which sets out to present a broad, general picture of Papua New Guinea at an important time in its history. In doing so, such a book for the general reader is long overdue.

The problems in attempting an exposition on such a broad scale are certainly immense, as Peter Hastings points out in his introduction. 'There are,' he writes, 'perhaps more difficulties than usual if the book concerns New Guinea, where extreme geographical, linguistic and ethnic fragmentation have combined to produce a singularly complex and disparate development.'

What this book lacks in continuity—it is, in fact, a collection of essays on specific topics by experts in their particular fields—it makes up for in the span of its contents and the authority of the authors. Indeed, no single author could have attempted to cover such a range of topics in such detail and with such knowledge of the subjects.

There are both a traditional structure and pleasing originality in the arrangement of the book. On the one hand, the 12 essays cover such topics as geography, wildlife, languages and history. On the other hand, greater depth and perspective are added by such chapter titles as 'Social Change', 'Cargo Cult and Politics' and 'Race Relations'. Together they add up to a sound understanding of events in Papua New Guinea and the changes taking place there.

It is refreshing also that when so much emphasis is given to political and economic develop-

ment, this book should provide a balance that, if anything, leans the other way towards a view and understanding of the people.

If there is a single theme running through the book, it is the inter-active nature of social change in Papua New Guinea. The importance of each individual article is to offer criteria for judging the total effect of what is happening in Papua New Guinea and, in particular, how the lives of the people are being altered with these changes.

The conditions and nature of social change present a broad subject for discussion, and the essays seek to invoke an understanding of both sides of the form and nature of these changes. Many may disagree with some of the assumptions and points of view in the individual essays which, naturally, reflect their authors' own prejudices; but the range of opinions and outlooks are, to a large extent, self-balancing, if not contradictory.

On its movement towards self-government and independence, Papua New Guinea is portrayed as a country rich in plant and animal life (an interesting article by Dr Ross Robbins argues that Papua New Guinea, lying at the crossroads of Asia, Australia and the Pacific, holds the key to much of the past natural history of the Southern Hemisphere); as an amalgam of several racial stocks, speaking scores of mutually unintelligible languages; of small political units with unknown worlds within 15 miles of each other; and of village societies in which the clash of old and new holds important consequences for political leadership.

There is inherent in the arguments a strong sense of the natural dynamism of primitive societies which, even before European contact, were in a state of continual and even rapid change. Anthony Forge, for one, writes that the supposed ten-fold increase in population in the Highlands in the four hundred years following the introduction of the sweet potato brought great changes in social structure.

These aspects of Papua New Guinea life, taken at random from essays packed with information and argument, give background to the political and economic changes under way in Papua New Guinea, and the response of Papuans and New Guineans to them. This book reinforces the argument that it is not possible to divorce economic and political development from the nature of the society itself.

As Hastings says in his introduction, 'There are no specific answers to (the) speculative questions in this volume or any other. But the chapters of this book will go a long way in explaining the context in which the questions arise.'

JGM

Tranquil forest depths, Papua New Guinea



10 DOWNING STREET

From the Private Secretary

6 December, 1984.

Invitation to the Prime Minister of Papua
New Guinea

Thank you for your letter of 3 December suggesting that Mr. Somare should be invited to Britain in the week beginning 22 April.

The Prime Minister could manage talks and lunch on Wednesday, 24 April. I should be grateful if this could be put to Mr. Somare.

Charles Powell

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.

RESTRICTED

①
CEPC



Foreign and Commonwealth Office

London SW1A 2AH

3 December 1984

- 1) Mr Powell
- 2) Prime Minister

You could do talks and lunch
on Wednesday 24 April.

Agree?

Dear Charles,

Dms
4/12

Yes ✓

Invitation to the Prime Minister of Papua New Guinea

In your letter of 15 November you indicated the Prime Minister's agreement that the Prime Minister of Papua New Guinea should be invited to visit the United Kingdom as a guest of the Government. You suggested dates around 5 June 1985, and agreed that it would be possible to arrange a call on the Prime Minister followed by lunch on that day.

Our High Commissioner in Port Moresby has put this suggestion informally to Mr Somare's officials. Unfortunately the Papua New Guinea Parliament will still be in session at that time and Mr Somare considers that he cannot absent himself. He has indicated that the week beginning 22 April would be preferable. We realise the pressures on the Prime Minister's diary, but wonder whether it would be possible to accommodate Mr Somare's request.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

RESTRICTED

Papua New Guinea

Foreign and Commonwealth Office

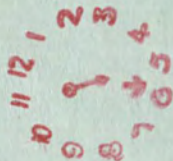
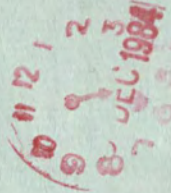
London SW1A 2AH



April 87

USK of New Guinea PM

3 DEC 1984





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10 DOWNING STREET

From the Private Secretary

15 November 1984

Invitation to the Prime Minister of
Papua New Guinea

Thank you for your letter of 13 November proposing that we should restate the invitation to Mr. Somare to visit the United Kingdom as a guest of the Government.

The Prime Minister agrees that he should be invited. The dates which would suit her best would be around 5 June 1985, on which day she could offer Mr. Somare talks at 12 noon followed by lunch.

(C.D. POWELL)

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.

5 June 1200 ton

all

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Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

You earlier agreed in principle to this.

Can we now offer him a date in

Dear Charles, June, please?

It would involve one hour of talks followed by a lunch.

Approved and
AP 14/12/84

13 November 1984

Proposed Invitation to Visit Britain: Mr Michael Somare, Prime Minister of Papua New Guinea

I wrote to John Coles on 16 February about an invitation to Mr Somare, the Prime Minister of Papua New Guinea, to visit this country as a Guest of Government. John Coles asked us to explore dates for a visit in October 1984 (his letter of 17 February to me). But Mr Somare was obliged to cancel his planned visit to Europe. At the time, John agreed that we should tell Port Moresby that the Prime Minister would welcome a visit by Mr Somare in 1985 if mutually convenient dates could be found.

I set out in my letter of 16 February the reasons for proposing a visit by Mr Somare. These hold good. Our interests in PNG continue to grow: The Prince of Wales' visit in August was a great success; Lord Jellicoe led a high-level Trade Mission there last month; we are taking part in the Centennial celebrations of the establishment of the British Protectorate of Papua; it is reported that commercially viable oil reserves have been discovered. Mr Somare continues to dominate the political scene - if anything his position is even more secure. An invitation to visit Britain in 1985 would be an excellent way of marking PNG's tenth anniversary of independence.

Our High Commissioner has established informally that Mr Somare would very much appreciate an invitation to visit next year. If this could be arranged he would prefer to come in May or June, since his commitments would make it difficult for him to get away later in the year. We would obviously avoid 21/22 May, when the Finnish Prime Minister will be here.

I would be grateful to know whether the Prime Minister is content that Mr Somare should come as a Guest of Government on these dates, and if not, whether we could explore other dates.

/I am



I am sorry that Mr Somare was not included in the list of forthcoming visitors that Len Appleyard sent you with his letter of 8 October. This was an oversight here.

Yr ever,
Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

LAPUA NEW GUINEA: Visit of PNG. PM
April 81



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10 DOWNING STREET

From the Private Secretary

17 February 1984

Proposed invitation to the Prime Minister of Papua New Guinea
to visit Britain

In your letter of 16 February you asked whether the Prime Minister would be able to receive Mr. Somare as a guest of government in September for two or three days.

September is a difficult month for the Prime Minister. It would suit her much better to receive Mr. Somare in the week beginning 22 October. Could you establish whether there is any flexibility in the timing of his visit to Germany? If not, we shall have to look again at possible September dates but I can at this stage give no guarantee that the Prime Minister will be able to receive him then.

done by phone

JC

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.


JC

CONFIDENTIAL

E. R.

C/F

p. attend m.

 MR COLES ✓

A.S.C. 1/2.

cc: Mrs. Goodchild

VISIT OF PRIME MINISTER OF PAPUA NEW GUINEA

We discussed this this morning. As I explained, September is not a good month because of the Prime Minister's overseas trip which has already been agreed. In addition, she will be hosting a lunch for the Prime Minister of Peru the week after she gets back, i.e. Wednesday, 3 October. A later date in October would really suit the Prime Minister. Could you ask the FCO to make enquiries as to whether the week beginning Monday, 22 October would be convenient. The Prime Minister could offer talks and lunch on Wednesday, 24 October.

CR.

17 February, 1984



10 DOWNING STREET

Mr. Lyell.

This would mean the usual
lunch and bath. Third date
in September should we go to?

A. J. C. $\frac{16}{2}$.



Foreign and Commonwealth Office

London SW1A 2AH

16 February, 1984

076

Dear John,

Proposed Invitation to Visit Britain: Mr Michael Somare,
Prime Minister of Papua New Guinea

The Rt Hon Michael Somare CH, Prime Minister of Papua New Guinea, will be visiting West Germany in September and the Papua New Guinea High Commissioner has told us that Mr Somare would like to visit Britain for a few days. We are much attracted by the idea and would be grateful to know if the Prime Minister would be able in principle to receive Mr Somare as a Guest of Government in September for two or three days. Dates are still flexible at this stage as Mr Somare's dates in Germany are not yet firm. If the Prime Minister agrees to the principle of a visit by Mr Somare, we would of course need to negotiate dates which did not clash with the Prime Minister's visit to South East Asia.

Our interests in Papua New Guinea are growing. Robust PNG support for us over the Falklands, a good visit by HM The Queen in 1982, a successful Commonwealth Parliamentary Association visit in 1983 and an RN ships' visit at the beginning of this year, are to be followed by the opening of Papua New Guinea's new Parliament building in August by The Prince of Wales. British firms are contributing to, and sharing in, Papua New Guinea's mining and agriculture. Our exports to PNG have increased steadily since independence in 1975 and could top £160 million by 1986. British investment in PNG by the Commonwealth Development Corporation and private firms is also expanding and some 7,000 British people now live in the country, including a large group of VSOs.

Michael Somare is a widely respected leader within his own country and in the region and looks set to lead his country again at the next election in 1987. He has been the dominant political figure in Papua New Guinea since before independence and by 1985 will have been Prime Minister for eight of the ten years since independence. An invitation now would be an excellent way of marking Papua New Guinea's tenth anniversary of independence.

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I would be grateful to know whether the Prime Minister agrees to an invitation being issued, subject to the negotiation of mutually convenient dates.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

SUBJECT.

CF



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 80A/81

Papua N. Guinea

PRIME MINISTER
PAPUA NEW GUINEA

cc. master set

opt.

28 May 1981

(4)

My dear Prime Minister,

Prime Minister
H.A. Punt

I wish to express my sincere gratitude for the time you made available to see me in London during my recent visit there. The discussions we had can only further enhance the warm relations that our two countries mutually enjoy and have assisted me to appreciate the current situation in Britain and Europe.

Permit me, Prime Minister, convey on behalf of my delegation and my own behalf our thanks for your kind hospitality during our stay in London. The rest of my visit to other countries in Europe was equally successful.

With best personal wishes.

Yours sincerely

JULIUS CHAN,
Prime Minister.

The Rt. Hon. Margaret Thatcher, MP.,
Prime Minister,
10 Downing St.,
LONDON SW 1

8 1/2 x 11 INCHES

TELETYPE MESSAGE

SERIAL NO. 1000

COMMUNICATIONS
SECTION



15 JUN 1951

1 2 3 4 5 6 7 8 9 10 11 12

TO: DIRECTOR, FBI (100-371000)

FROM: SAC, NEW YORK (100-100000)

RE: [Illegible]

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100-371000-1000

SUBJECT

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VLS

Papua NS

cc Martin



FILE

10 DOWNING STREET

From the Private Secretary

15 May 1981

Visit of Sir Julius Chan

The Prime Minister of Papua New Guinea, Sir Julius Chan, called on the Prime Minister this morning. Most of the conversation was of a very general kind relating to the situation in Papua New Guinea and to recent international political developments. However, one or two points may be worth recording.

Sir Julius said that he very much hoped that a senior British Minister would visit Papua New Guinea before too long. He had invited both the Foreign and Commonwealth Secretary and the Secretary of State for Trade. He would of course be particularly pleased if the Prime Minister herself were able to come. The Prime Minister said that she had taken note of what Sir Julius had said and very much hoped that it would be possible to arrange such a visit by one of her colleagues.

In response to a question from Sir Julius about the attitude of the new French Government to the Pacific, the Prime Minister said that she expected President Mitterrand's Administration to be sympathetic to the Third World generally. This would be particularly true if M. Sheysson had a leading role. Sir Julius then asked about the British Government's attitude. The Prime Minister said that we maintained our interest. She enquired whether Sir Julius was implying that we should be more strongly represented in the region. He said that he was well content with the present situation.

/ The Prime Minister

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- 2 -

The Prime Minister thanked him for the help which the Government of Papua New Guinea had given in dealing with last year's difficulties in the New Hebrides.

Sir Julius asked which subjects the Prime Minister thought would be discussed at the Commonwealth Heads of Government Meeting in Melbourne. The Prime Minister said that she assumed that North/South problems and South Africa would be the main issues. Sir Julius agreed. He thought a particular problem might be the South African rugby tour of New Zealand. He himself would like to see the matter left on one side but doubted whether this would be possible. The issue might give rise to major difficulties for Mr. Fraser. There might, for instance, be substantial demonstrations in Melbourne.

M. O'D. B. ALEXANDER

R. M. J. Lyne, Esq.,
Foreign and Commonwealth Office.

RESTRICTED



Foreign and Commonwealth Office

London SW1A 2AH

14 May 1981

Dear Michael,

Visit of Sir Julius Chan, Prime Minister of Papua New Guinea,

11 - 17 May 1981

Sir Julius Chan will be paying a courtesy call on the Prime Minister at 11 a.m. on 15 May. We expect his Foreign Minister, Mr Levi, to accompany him.

Papua New Guinea became an independent state within the Commonwealth in September 1975 and is a member of the UN. Sir Julius, Leader of the Peoples' Progress Party (PPP) was elected Prime Minister in March 1980. (This is his first visit to Britain in that capacity but he was here in 1974 as a guest of HMG.) He has had a difficult time holding his new government together and fending off the ambitions of his deputy and Minister of Transport, Iambakey Okuk (here in 1980). Parliament is now in recess and is unlikely to reconvene before July. New elections are due mid 1982.

In foreign policy PNG is showing a growing interest in regional affairs and won respect for her role in rendering military assistance to Vanuatu. The Government is strongly anti-communist. In economic affairs, PNG is pursuing a course of cautious development based on substantial Australian aid (1980 = \$250m), the mining of copper and gold (RTZ interest) and plantation developments of agricultural and forest products. In 1980, UK imports were £23m and exports were £11 m.

Sir Julius may want to raise the following points:-

- (i) CHGM
PNG government is concerned about the damage a South African rugby tour of NZ will cause to Commonwealth relations leading to a possible boycott by some (African) countries of Brisbane Games in 1982. It would be useful to know Sir Julius's attitude towards boycott and subjects for discussion at CHGM.
- (ii) Aid
We give little aid to PNG (£26,000 only in 1983/82) due to their relative prosperity and substantial aid from Australia. However, we continue to support the activities of Voluntary Service Overseas workers (currently 86 in PNG working in fields of public utilities, education, health and agriculture).

/(iii)



(iii) Investment

The Commonwealth Development Corporation is involved in two large projects for oil palm and sugar and is also looking at rubber and cocoa. British firms such as Booker-McConnell, Harrison and Crosfield, RTZ and Inchcape Group are all substantial private investors.

Lord Carrington is giving a lunch for Sir Julius today, and Mr Biffen will be giving a dinner for him. Sir Julius and his party will also be entertained by the Rothschilds, the Royal Commonwealth Society and the Crown Agents. He was sworn in as a Privy Counsellor on 13 May. Mr Levi, the Minister of Foreign Affairs and Trade, is signing an Investment Promotion and Protection Agreement on 14 May with Mr Blaker.

// I attach personality notes on Sir J Chan and Mr M Levi.

yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON
SW1



PAPUA NEW GUINEA
SOME BASIC STATISTICS

1. Population and Land Area

(a)	Area	461,690 km	(178,200 sq mls)
(b)	Population	3,000 000	(est. 1980)
(c)	Population growth rate	2.6%	p.a.

*

2. Economics

(a)	Gross Domestic Product	£1.14 bn	(1979)
(b)	Gross National Product per capita	£370	(1979)
(c)	Inflation Rate	7.9%	(1979)
(d)	Exchange Rate	£1 = Kina 1.42	(May 1980)
(e)	Total Exports 1980	£493.7 m	
(f)	Total Imports (to March 1980)	£113 m	
(g)	Main countries of origin (Imports) 1980		
	1. Australia	2. Japan	3. Singapore
(h)	Main countries of destination (Exports) 1980		
	1. Japan.	2. FRG.	3. Australia

*

Source Quarterly Economic Bulletin March 1981. Bank of PNG

3. Trade

(a)	UK Exports to PNG (1979)	£10,409,000
(b)	UK Imports from PNG (1979)	£30,148,000

4. 1981 Budget

(a)	Expenditure	£489 m
(b)	Growth rate	3%

CHAN, THE RT HON SIR JULIUS, KBE

Prime Minister (1980) and Leader of the Peoples' Progress Party.

Member of Parliament for Namatanai, New Ireland since 1968.

Born 29 August 1939, Tanga Island, New Island.

Secondary education at the Marist Brothers College in Queensland; matriculation; 'dropped out' after first year at Queensland University, where he was reading economics.

Before becoming a Minister he was managing director of Coastal Shipping Co Pty Ltd., Rabaul (now managed by his brother), in which he retains an interest. 1968-72 Deputy Speaker of the House of Assembly. Minister for Finance 1973 to 1977. Deputy Prime Minister and Minister for Primary Industry 1977 until 1978, when his party withdrew from the coalition.

Roman Catholic. He has travelled in Britain and other parts of Europe, the USA, Japan, Hong Kong, Singapore, The Philippines, Malaysia and Fiji in addition to Australia. FCO Category 3 facilities in London, April 1974.

Small in stature, Julius Chan is of mixed blood with the Chinese strain noticeable. He was a very competent Finance Minister and is astute, both as a politician and businessman. As Deputy Prime Minister (to Michael Somare) he served Papua New Guinea's first coalition Government loyally and efficiently, and was generally held in high esteem as a national leader. He reluctantly brought to an end the successful alliance between his party and Somare's larger Pangu Party on the issue of Somare's failure to consult him over a cabinet reshuffle in November 1978. But before this split, philosophical differences between the two parties had begun to emerge, especially in relation to Somare's "Leadership Code" proposals; Chan's Peoples' Progress Party, with strong commercial instincts and interests, objected to the suggestion that Ministers and other leaders would be forced to give up private business activities.

As Prime Minister, elected by Parliament (on a narrow vote of no-confidence in Somare) in March 1980, Chan holds a delicate balance of a number of small political parties represented in the House. Somare's Pangu Party in opposition presents a constant challenge, and Chan's Deputy (Iambakey Okuk (q.v.)) does not conceal his ambition to succeed Chan as Prime Minister at the earliest opportunity.

In late 1973 he fell ill briefly with mild heart trouble brought on by overwork, and has been very careful about his health since then. Has a personable wife, Stella, who prefers to spend time at their Rabaul home, but she supports him admirably at public functions. They have four children.

Speaks excellent English (and Pidgin and Cantonese).

CONFIDENTIAL

LEVI, Noel

Minister for Foreign Affairs and Trade since March 1980.

Member of Parliament for New Ireland Province since 1977.

Born 1942 in New Ireland.

Educated in New Ireland, at the University of Queensland (Ll.B, 1961) and at University of Papua New Guinea (BA, 1972). Joined the public service and, after serving as a patrol officer, returned to Port Moresby and became Secretary of the Department of Defence (1975-77). Resigned from the public service to enter Parliament as a member of the Peoples' Progress Party.

Parliamentary Under-Secretary for Defence 1977-78. Opposition backbencher 1978-80.

Short in stature and overweight, he has above-average intelligence and is a competent minister who exercises a disciplined control over his present Department. Has proved an effective chairman of international conferences e.g. ACP and SPC. Believes Papua New Guinea's foreign policy should be primarily oriented towards those states with whom PNG has trading relationships. Conservative in outlook, but committed to the cause of decolonisation in the South Pacific.

Married, three children.

FILE

Papua New Guinea
R H

Top copy required

MR ALEXANDER

Courtesy Call by the Prime Minister
of Papua New Guinea

The Prime Minister wants to bring with him his Foreign Affairs Minister who is also Minister for Trade. Would this be acceptable?

Do you wish anyone from the Foreign Office to be present?

CAROLINE STEPHENS

11 May, 1981



10 DOWNING STREET

From the Private Secretary

6 April, 1981.

Visit of Sir Julius Chan, Prime Minister
of Papua New Guinea

Thank you for your letter of 2 April recording the visit of Sir Julius Chan. I am writing to confirm that the Prime Minister would be happy to see him on the morning of Friday, 15 May, at 11 a.m.

We will require a full brief to reach this office by close of play on Thursday, 14 May.

CAROLINE STEPHENS

C. Jebb, Esq.,
Foreign and Commonwealth Office.

Rb



10 DOWNING STREET

N. Alexander

1 can only do
11.00 on Friday
15 May. 11/12^{is}
SCHMIDT; 13^{is}
President of Ghana;
14: Cabinet
Nationwide interview.

es.

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Foreign and Commonwealth Office

London SW1A 2AH

2 April 1981

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Dear Caroline,

Prime Minister

You could see him for 30 mins on
the morning of Friday 15 May. Agree?

Yes

Am - 3/4

Visit of Sir Julius Chan, Prime Minister of Papua
New Guinea

We have already been in touch on the telephone about Sir Julius Chan's visit to the United Kingdom. Unfortunately, there has been another change of plan and the dates of his visit will now be from 11 to 15 May.

Sir Julius took office in March 1980 and was recently appointed a Privy Councillor. This will be, as far as we know, his first visit to Britain, and from a protocol point of view he will naturally hope to see the Prime Minister. Papua New Guinea has some very substantial mining, plantation and power generation projects under development in which UK firms are participating. There is already quite a lot of British investment there (eg by the RTZ in the Bougainville copper mine) and a British community of 5,000.

PNG is taking a more active role in regional affairs and is growing in importance. Sir J Chan's decision to send PNG troops to Vanuatu immediately after independence was a demonstration of this (and was incidentally very useful from our point of view). PNG is in a good position to influence some of the smaller Pacific states, and will of course attend the CHOGM in Melbourne.

We are anxious to demonstrate our continuing interest in PNG at the highest level, and would therefore hope that the Prime Minister is able to see him for a short call. Lord Carrington and Mr Biffen hope also to see Sir Julius.

Yours Ever,

Bob Page
pp (C Jebb)

Assistant Private Secretary

Ms Caroline Stephens
No 10 Downing St

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

- 3 APR 1981

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