
III. Australasia

Queen Elizabeth runs a coup: the case of Papua New Guinea

by Allen Douglas and Michael J. Sharp

Over the past several months, there has been a coup in the Southwest Pacific nation of Papua New Guinea. Under cover of a manufactured corruption scandal about the hiring of mercenaries to train P.N.G.'s Army, the government of Prime Minister Julius Chan was ousted in June, in order to open up the nation's vast raw materials wealth to unbridled looting by London-centered financial interests, on the eve of the worst worldwide financial collapse in history.

Papua New Guinea, which has a population of 4 million and shares the island of New Guinea with Indonesia, ranks among the world's top ten producers of copper and gold, and is rich in other raw materials, including oil, natural gas, and timber. The coup which ousted the nationalist Chan, but did not succeed in obliterating his party or his political influence—and is, therefore, still ongoing—is a classic case of how a sometimes bewildering array of assets of the British Crown's "invisible empire," are mobilized to attack a nation-state. Surveying these "Many," the thoughtful intelligence analyst, like his cousin, the Platonically trained philosopher, is provoked to search for the "One" that generates them. Here, the One is the Crown; its Many include members of Her Majesty's Privy Council and top officials of her Commonwealth of Nations organization; the intelligence services and foreign affairs apparatus of Commonwealth member Australia; leading firms of Her Majesty's raw materials cartel, Rio Tinto (formerly Rio Tinto Zinc) and Broken Hill Proprietary Co. Ltd. (BHP), the second and third largest mineral companies in the world; the World Bank; Transparency International, the Prince Philip-World Bank spawn which mobilized the mobs to dump Chan; assorted mercenary clones of the British Special Air Services (SAS)—among them, Executive Outcomes, DSL, and Sandline International, all under the direction of Her Majesty's Corps of Commissionaires—whose activities provided the nominal excuse for the coup; Commonwealth media barons Kerry Packer and Rupert Murdoch, who daily trumpeted the latest "revelations" against the Chan government; and, finally, street mobs provided by sanctimonious "low church" evangelical-pentecostal churches and non-governmental organizations (NGOs).

In the old days of "gunboat diplomacy," the British Em-

pire used to just shoot down individuals or regimes it didn't like. That method is still used on occasion, but the Crown prefers these days to rally the natives under the banner of "transparency" and "fighting corruption," to help overthrow their own governments, as it did in Italy in the early 1990s. Prince Philip's new organization, Transparency International, is a special instrument for such projects. When you hear that "such-and-such a government is corrupt," you may be quite sure—unless it be a government tied to that one-man army of real corruption, George Bush—that the Empire has it in its crosshairs. The hordes of zombies, marching with shining eyes and outstretched arms, and chanting "Transparency!" are agents of Her Majesty, whether wittingly, or not.

Now, to our case study.

Chan versus the World Bank

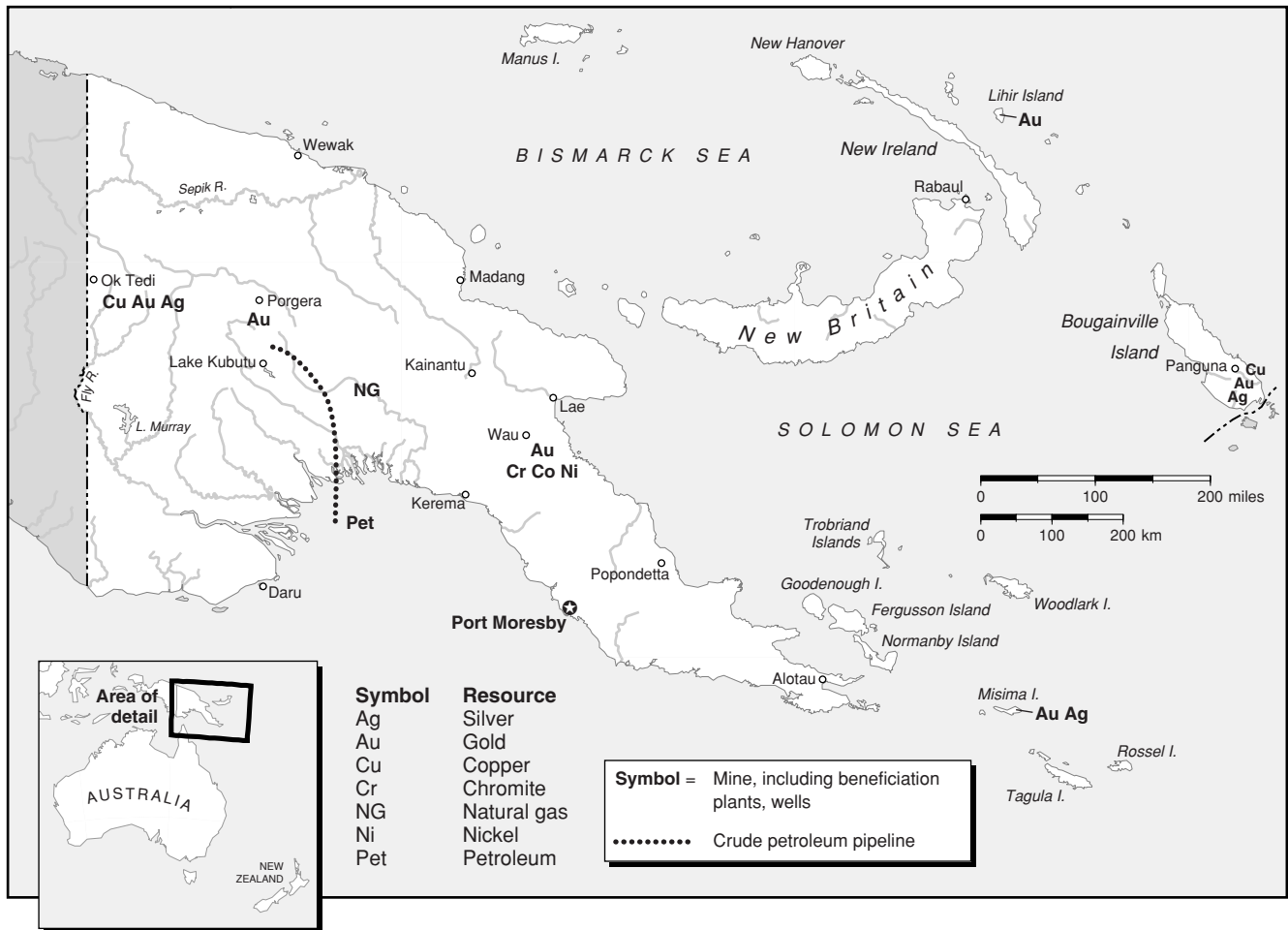
In 1994, Julius Chan was elected prime minister of Papua New Guinea, a Commonwealth country whose sovereign is Queen Elizabeth, for the second time. P.N.G. is today, just as when it was granted independence in 1975, a poverty-stricken, developing-sector nation, with little infrastructure. There are still unpaved roads leading out from its capital, Port Moresby. Besides mining, the P.N.G. economy is based on subsistence agriculture. The life expectancy is 55 years, for men and women alike.

The country has also been the scene of the bloodiest conflict in the South Pacific since World War II, because of an insurgency by the indigenist Bougainville Revolutionary Army (BRA) on P.N.G.'s island-province of Bougainville, which began in 1989. Bougainville is the location of the Panguna copper mine, jointly owned by Rio Tinto and the government; Panguna was the world's largest open-cut copper mine and provided 40% of the government's annual revenue, until the insurgency shut it down. The insurgency was to flare again, simultaneously with Prime Minister Chan's clash with the World Bank in 1996.

Former Prime Minister Chan was one of the "best and the brightest" of this former British (and Australian) colony. He had been groomed as a colonial administrator: after various positions in P.N.G.'s House of Assembly, he became a gover-

FIGURE 1

Papua New Guinea: major raw materials deposits



nor of the International Monetary Fund (IMF), the World Bank, and the Asian Development Fund; was made a Commander of the British Empire in 1975; was elected a fellow of the International Bankers Association in 1976; and, was appointed a member of the Privy Council in 1981, when he became prime minister for the first time.

Yet, Chan, like many of his fellow countrymen, developed a keen sense of nationalism. He fought fiercely against the World Bank in 1996, when it demanded that he sack thousands of public servants, freeze wages, eliminate price controls on basic foodstuffs, eliminate controls on foreign investment, and sell off (“privatize”) P.N.G.’s mineral wealth. Declaring that the World Bank had “destroyed many countries,” Chan kicked its petulant, arrogant representative, Pirouz Hamadian Rad, out of the country.

The World Bank’s most crucial demand was that P.N.G. privatize its Mining Resources Development Company (MRDC), which controlled the government’s share in six major mines that, after the 1989 closure of Panguna, constitute the bulk of the country’s economy.

National sovereignty: an effective military

By mid-1996, under immense pressure from the World Bank, which threatened to cut off \$340 million P.N.G. had been promised in international aid, and a renewed BRA insurgency, Chan capitulated to some of the World Bank’s demands, including the sale of 49% of MRDC, now known as Orogen Minerals Limited. But, Chan planned to deal with P.N.G.’s two most severe problems, the Bougainville insurgency and the lack of revenue for economic development, at one stroke. His plan was to train and equip P.N.G.’s Army to finally settle the Bougainville conflict, to buy out Rio Tinto’s majority share in the Panguna mine, to recommission it, and to plough its revenues into building the nation. Toward this end, the Cabinet, in early 1996, had adopted a Defense White Paper which budgeted \$80 million to upgrade the Army.

Requests to P.N.G.’s allies, the United States, Australia, and New Zealand, to carry out the proposed upgrading were rebuffed, as per the worldwide IMF-World Bank policy of dismantling military forces—the guarantors of national sovereignty. P.N.G. officers bitterly charged that Australia, in

particular, wanted to limit the effectiveness of P.N.G.'s Army, while Chan said, apropos of the fighting in Bougainville, "I'm sick and tired of seeing our boys coming back in body bags."

Finding no governmental assistance, Chan was forced to "go private." According to numerous accounts, the first to propose hiring mercenaries for the training, was P.N.G. Corps Pty Ltd., a subsidiary of the London-based Corps of Commissioners, headed by the Queen. In proposals to the P.N.G. government, which were later leaked to the Melbourne, Australia *Age* newspaper, the Corps recommended that the government establish a force modeled on the British SAS, which, it said, "had a fearsome reputation throughout the world." Army commander Brig. Gen. Jerry Singirok lobbied Chan for this project, and proposed that, given budget cuts, Rio Tinto could discreetly fund it. Ultimately, P.N.G. struck a deal for \$36 million with Sandline International, a subsidiary of Executive Outcomes, which subcontracted part of the project to another British SAS spin-off, DSL. Sandline also had very close ties to Rio Tinto, as detailed below.

'Assassin squads'

P.N.G.'s negotiations with Sandline began in 1996. Once the mercenaries were in the country, in February 1997, the trap which was to bring Chan down, was sprung. The Packer and Murdoch-dominated Australian press (Murdoch owns the *Post Courier* in P.N.G. as well) suddenly exploded the story, with headlines such as "Outrage at P.N.G. Assassin Squads." The main media theme, however, was that because the deal was "corrupt," Chan and his associates, Finance Minister Chris Haiveta and Defense Minister Mathias Ijape, must step down.

On Feb. 26, two days after the mercenary story first hit the press, the Australian government denounced the Sandline deal as "totally unacceptable," and threatened to cut off Australia's \$240 million in aid to P.N.G. Shortly before, the *Australian Financial Review*, controlled at the time by Canadian media baron Conrad Black, had let the cat out of the bag as to what was really afoot: "The Papua New Guinea Government teeters on the brink of again elevating a spurious form of economic nationalism above rationalism."

Amid the press uproar over Sandline, Chan asked, "Is there some political agenda that is behind their motives, to possibly destabilize the government and disrupt the June elections?" P.N.G.'s National Intelligence Organization, in a document leaked to the press, charged that a "cabal of prominent P.N.G. citizens," aided by environmentalist NGOs and a network of "born-again Christians," including Army commander General Singirok, was conspiring to replace Chan with Privy Councillor Sir Michael Somare, P.N.G.'s first post-independence prime minister.

On March 17, General Singirok charged that he had evidence of "corruption" in high places, and publicly called upon Chan to resign. Singirok's mutinous troops and allied NGOs surrounded Parliament house, and for the next ten days, the country teetered on the brink of anarchy. Chan finally agreed

to step down, pending the results of a judicial inquiry into the hiring of Sandline.

An investigative commission headed by an Australian judge found Chan and his chief cabinet ministers innocent of any wrongdoing, but the damage was done. After 29 years in parliament, Chan lost even his own seat in the June 14 election, by 110 votes.

Dramatis personae

The above is a broad outline of what happened. To understand *how* it happened, one must look more closely at the plot's chief actors — those in center stage, and those standing discreetly in the wings:

Her Majesty's Australian government: Australia's intelligence services, which have been a subsidiary of British intelligence ever since they were set up by MI-5 chief Sir Roger Hollis in the 1950s, were intimately informed, from the very beginning, of every step which Chan took to hire the mercenaries. The *Canberra Times* of April 4, 1997 noted, "Australian technology is used almost exclusively in P.N.G.'s communication infrastructure, and it is widely understood that Australia monitors virtually everything the P.N.G. government does." In addition, the Australian Secret Intelligence Service had two informants, ASIS official Warren Reed told Australia's "Four Corners" TV program recently, one an Australian mercenary, and the other an official in Chan's government, keeping them abreast of all developments.

Had Australian government officials such as Prime Minister John Howard and Foreign Minister Alexander Downer, who later howled about the mercenaries, genuinely wanted to stop the operation, they could have privately taken the same measures which they later took publicly, such as threatening to cut off all Australian aid, *before* the mercenaries landed in P.N.G. This would have stopped the affair before it got started. But, said Chan, the Australian government had not only known about the plan, it had *supported* it: "P.N.G. is being accused of hiring mercenaries — not trainers but mercenaries — by the media of a country which endorsed the strategy in the first place," he said.

Her Majesty's Commonwealth of Nations apparatus: Deployed in tandem with the Australian government, were top personnel of the official Commonwealth apparatus. One of these, Commonwealth Secretary General Chief Emeka Anyaoku, was visiting Australia when the P.N.G. crisis broke out. He made a lightning visit to P.N.G., during which he convinced Chan to step aside pending the judicial inquiry into Sandline, despite Chan's having just won a resounding parliamentary vote of support. Said Anyaoku, "I believe my conversation with Sir Julius was helpful for him in making up his mind." Anyaoku also said, about coup leader Singirok, "I was impressed by Brigadier General Singirok and his evident devotion to the P.N.G. defense command. His whole position . . . was motivated by that devotion" — curious praise for a man who had just led an armed insurgency against his own government.

A second Commonwealth official involved in the plot, was its former deputy secretary general during 1990-95, Sir Anthony Siaguru, who is now chairman of the recently established P.N.G. chapter of Transparency International. Transparency led the campaign to mobilize public outrage over the Sandline affair as one of alleged "high-level corruption." Siaguru told Australian investigators that he had been recruited to head Transparency in P.N.G., by his old friend Jeremy Pope, who had formerly been the Director of the Commonwealth Secretariat under him, and who was now Transparency's managing director. A member of the elite law firm of Blake Dawson Waldron in Port Moresby, Sir Anthony handles the accounts for a number of key multinationals in P.N.G.—the same multinationals which brought Transparency into the country.

Transparency International: In its literature, TI proclaims itself to have been jointly spawned by the British Crown and the World Bank, out of a series of "ethics in business" seminars personally organized by Prince Philip. Former World Bank chief Robert McNamara was present at its founding meeting in 1993, and several bank officials were involved, including its chairman, Peter Eigen, for 25 years a senior official managing programs in Africa and Ibero-America, and its vice-chairman, Frank Vogl, another former senior executive. No wonder, then, that Eigen bragged, at a TI conference in Italy on Jan. 20, 1997, that "James Wolfensohn, president of the World Bank, publicly committed this institution to make of the fight against corruption a central point in the coming years."

Wolfensohn is a trusted operative of the Crown, who was knighted by Queen Elizabeth as "Sir James," in May 1995, just days before he took up his post as chief of the World Bank. He is a fine one to preach about corruption: As a protégé of London financier Sir Sigmund Warburg, Wolfensohn was one of a handful of bankers who in the 1960s founded the international drug-money laundromat known as the Eurodollar market. He is also a longtime business partner of Kerry Packer, the Australian multi-billionaire who was investigated by an Australian Royal Commission in the early 1980s for murder, drug-pushing, money-laundering, and other alleged crimes. That commission was shut down by Packer's political allies, before it completed its investigation.

In an interview with the Australian Broadcasting Corp.'s Radio National on April 2, 1997, Siaguru described how TI set up shop in P.N.G.: "There was a growing feeling among people in business, in the private sector . . . that the excesses that we see happening in other countries were starting to get themselves established here. There was a lack of transparency and lack of accountability on the part of public office holders. . . . That's what led to actions being taken by members of the private business community, to invite Transparency International to come in and consider establishing a chapter here in P.N.G. So, two existing institutions in P.N.G., the Institute of National Affairs and the Business Council of P.N.G., organized a seminar. And out of that came two things: the first

was a decision to establish a Code of Conduct, the second is the establishment of a chapter of Transparency International."

The Business Council of P.N.G. is a front for Rio Tinto and BHP, which finance the Institute of National Affairs (INA). The Business Council's longtime president, until his death in 1996, was BHP's P.N.G. managing director, Kipling Uiari, Order of the British Empire. The INA is a rabid "free market" think-tank that has repeatedly attacked the government. One of its main clients is the World Bank.

The Business Council and the INA sponsored a seminar, "Ethics in Business," in July 1996, which was attended by P.N.G.'s Anglophile elite, including the Australian and British High Commissioners and various NGOs. In an interview on Aug. 4, 1997, Anne McDermott, TI's P.N.G. manager, recalled, "As a result of that one-day seminar, it was thought that something should be done. There were some people who knew Transparency International."

On Jan. 24, leading officials of Transparency International, Australia, including its British-born chairman, Henry Bosch, flew to P.N.G. to inaugurate the new chapter. TI Australia had itself been set up at the initiative of Royal Dutch-Shell, the leading sponsor of the World Wide Fund for Nature (WWF), another project of Prince Philip and his friend, Prince Bernhard of the Netherlands. Acting Chief Justice Sir Kubulan Los officially launched TI P.N.G. In a press release, the new organization announced that it had "declared war on corruption and secrecy" in the country. Its chairman, Siaguru, emphasized that TI would be holding a series of events, in order to shape the outcome of the national elections on June 14.

Her Majesty's minerals cartel: As documented elsewhere in this *Special Report*, and in "The Sun Never Sets on the New British Empire" (*EIR*, May 24, 1996), the still-existing British Empire, now known as the Commonwealth, is the single greatest financial and political power on this planet. One key to that power, is its extraordinary control of the world's raw materials, through British and Commonwealth firms. The number-two and the number-three largest raw materials firms in the world, the London-based Rio Tinto, and the Australian-based BHP, are part of this cartel. They own the major mines in P.N.G.

Rio Tinto: Rio Tinto holds 53% of the Panguna copper mine on Bougainville, and is the majority shareholder in the newly opened Lihir Gold Mine, one of the largest in the world outside South Africa. Rio Tinto was founded in 1873 in Spain by Hugh Matheson, using profits from Jardine Matheson, his family's dope-trading Hongkong firm, ties to which have lasted until today. In 1962, the First Bank of Boston, long associated with the drug trade, provided the financing for the merger of Rio Tinto and the Anglo-Australian firm, Consolidated Zinc. The resulting London-based firm, known as Rio Tinto Zinc, recently merged with its Australian subsidiary, RTZ/CRA, and is now called Rio Tinto.

The company is controlled by a mere 120 "accounts," which represent the family funds of Britain's leading aristocrats, including the Queen. Her holdings of Rio Tinto are so

extensive, that former RTZ Chairman Sir Mark Turner once observed, "You're running into problems of what the government is going to say about the Queen's involvement."

The insurgency which Chan faced on Bougainville was caused by Rio Tinto in the first place. Beginning when it opened the Panguna mine in 1969, the company dumped millions of tons of toxic waste into a nearby river, and expropriated or destroyed thousands of acres of land near the mine, enraging local landowners and residents. Instead of negotiating compensation with the injured parties, Rio Tinto chose to take a hard line, precipitating the insurgency. That behavior toward the native population of Bougainville is all the more curious, given that Rio Tinto is the chief funder of indigenism in Australia through the Australian Conservation Foundation, which Prince Philip founded in 1963. The ACF organized the "aboriginal land rights" movement in Australia (see *EIR*, April 28, 1995). In just the last several months, Rio Tinto has paid out \$45 million in "land rights compensation" to Australian aborigines, while the company's energy division chief, Leigh Clifford, took a leading role in a recent 2,000-delegate "Aboriginal Reconciliation" convention in Melbourne in late May.

Given Rio Tinto's support for "indigenism," consider the evaluation of one of Australia's senior counterterror experts, about who finances the BRA: "Look at the mining companies, particularly in Queensland [Australia]. You will definitely find big Australian money backing them." Rio Tinto is the biggest mining company in Queensland.

Would the company allow, or finance the shut-down of its own mine? It would certainly not be the first time a cartel took product off the market—and Rio Tinto has repeatedly tried to corner the world copper market, ever since it was founded. Nor would it be the only time the company shut one of its mines under a pretext. Workers at Rio Tinto's Hunter Valley No. 1 coal mine in New South Wales, now engaged in a bitter strike against Rio Tinto, have charged that the company deliberately ran down the coal mine, previously one of the most profitable in Australia, in order to provoke a strike, to break the unions at Hunter Valley as a precedent to smash all unions in the country.

Nor would it be the first time Rio Tinto has schemed to overthrow a government. Rio Tinto helped oust two Australian prime ministers in the 1970s, Liberal Prime Minister Sir John Gorton in 1971, and Labor Prime Minister Gough Whitlam in 1975. Though of differing political outlooks, both Gorton and Whitlam were nationalists who wanted to use Australia's great mineral wealth for the good of the nation, instead of for the enrichment of Rio Tinto, with which they each clashed bitterly.

Rio Tinto is no more a stranger to mercenaries than it is to indigenism. The manager and biggest shareholder of P.N.G.'s Lihir gold mine is Southern Gold Bahamas Ltd., a 75-25% partnership between Rio Tinto and a company named Vengold, a relation which may shed light on how Sandline International wound up in P.N.G. Until recently, Vengold was

owned by Sydney-based Robert Friedland, known as "the King of the Canadian Juniors." These are smaller mining companies which front for the majors in various dirty deals that the latter want to keep at arm's length. According to a report broadcast on ABC Radio National on April 6, 1997, Friedland's corporate empire is staffed "by a number of former RTZ senior employees." Additionally, one of the directors of one of Friedland's companies, Diamondworks, is Col. Tim Spicer, who led the Sandline International mercenary team into P.N.G. Although Spicer at first denied it, it emerged during hearings into the Sandline affair, that Sandline had offered to take its payment in government-owned shares in Rio Tinto's Panguna mine. Another of Friedland's companies is Branch Energy, which, according to the Radio National story, reportedly owns Executive Outcomes, the parent company of Sandline.

There is another curious intersection between RTZ partner Friedland and the Sandline story. Friedland recently appointed two senior executives from the Hongkong office of Jardine Fleming Bank to run his main holding company, Ivanhoe Capital, which has reportedly raised \$6 billion in capital since 1993. Jardine Fleming is a subsidiary of the Jardine Matheson firm long associated with RTZ, and oversaw the World Bank-forced privatization of the P.N.G. state mineral company. It also brokered the P.N.G. government's hiring of Sandline.

Broken Hill Proprietary Co. Ltd.: Since the closure of Rio Tinto's Panguna mine, all of P.N.G.'s copper now comes from the huge Ok Tedi mine near the country's western border. Owned 60% by BHP, and 20% by the P.N.G. government, the mine provided 20% of the value of P.N.G.'s total exports for 1994. BHP is headquartered in Melbourne and was long known as "The Big Australian," because its production of steel, minerals, and so on comprised as much as 1.5% of Australia's Gross National Product. It cannot boast quite as colorful a past as Rio Tinto, but, with its army of 65,000 employees in 59 countries, it, too, has now become entirely globalized, as part of the Queen's world minerals cartel.

Her Majesty's 'low church' mobs: As documented elsewhere in this *Special Report*, the Church of England, which is officially headed by the Queen, deploys the rabble-raising mobs of the "low church" through various vehicles, including the local branches of the World Council of Churches. ABC Radio National's interviewer John Cleary, in an interview with Sir Anthony Siaguru, TI's P.N.G. head, summarized the forces which coalesced, with funding provided by Rio Tinto and BHP, to form the anti-Chan coalition: "The churches have had a word, as you say, the private sector has had a word. In some way Transparency International has become a little bit of an umbrella body here. How do the churches connect with Transparency International?" Siaguru replied that Transparency runs "a worldwide coalition against corruption," a chief component of which is the churches.

On cue, at a press conference in early June 1997, just before the national elections, the chairman of the Melanesian

Council of Churches, Major Tau Pala, declared that, unlike “the old conservative times . . . the church ministries’ responsibilities now also extend to witnessing the political world.” Therefore, he said, the churches should not only “pray for the type of leaders they wanted to put into Parliament,” but should demand that all candidates and elected leaders “sign the national integrity pledge with the recently established P.N.G. chapter of Transparency International.”

Heeding this call, the evangelical and pentecostal churches, together with the Catholic Commission for Justice and Peace, launched “Operation Brukim Skru” (pidgin for “Bended Knees”) against “corruption” in the Chan government. The Queen’s chief representative in P.N.G., Gov. Gen. Sir Wiwa Korowi, was a key leader of Brukim Skru, while Brukim Skru founder Roger Hau’ofa, in an interview with Radio National, praised Singirok as “a strong Christian” who was closely associated with the movement. Singirok is a typically corrupt asset of Transparency: Following his anti-Chan uprising in March, it emerged that the born-again Singirok had secretly been on the payroll of J&S Franklin, the British arms dealer, the whole time, and that entries in his diary from February, showed that he was already then planning a coup.

Her Majesty’s ‘no-good organizations’: The coalition which TI rallied to overthrow Chan also featured a gaggle of non-governmental organizations. The term “NGO” was coined by the British Commonwealth Foundation in the 1960s; the organizations were established to attack sovereign nation-states, under cover of “human rights,” “environmentalist,” or other pretenses. There are now over 500,000 NGOs in Britain alone, with an annual turnover of \$30 billion. The most important of these, such as Amnesty International, are led by ranking members of the British aristocracy.

Such sponsorship, together with the NGOs’ own actions, belie their claims to be championing “democracy” and “people’s power.” When Singirok called on March 17 for the overthrow of Chan, three NGOs took to the streets to back the call: the Melanesian Solidarity Organization (Melsol), which later sponsored a tour by Singirok through P.N.G.’s Highlands provinces; the Individual and Community Rights Advocacy Forum (ICRAF); and the P.N.G. Watch Council. When the leaders of these organizations were later arrested, Amnesty International immediately proclaimed them to be “prisoners of conscience.”

Even before they took to the streets, ICRAF head Powes Parkop, and Melsol activists, proclaimed that Chan, Deputy Prime Minister Haiveta, and Defense Minister Ijape should be subject to “citizen’s arrest,” if authorities did not prosecute the three government leaders over the Sandline affair. Chan accused the NGOs of “playing a dangerous game.” Furthermore, he said, “I question their motives. It is not just my government they are attempting to bring down. They are attacking the very form of government itself that Papua New Guinea works under. . . . There is no law laid down by God that says that anyone working for an NGO is automatically a

saint.” Indeed, they receive some of their funds from a good approximation of the devil, the World Bank.

In January 1997, the same month Transparency announced its “war against corruption,” some 100 NGOs met to set up the People’s Alternative Social Action Program (PASAP), as an “alternative system” to the P.N.G. government. Overseeing the meeting was World Bank representative Pirouz Hamadian Rad, who had been kicked out of the country the previous year, and who now pledged \$11 million to PASAP. PASAP was designed by the P.N.G. Watch Council, founded in August 1996, almost contemporaneously with the “Ethics in Business” seminar which generated TI, P.N.G. The P.N.G. Watch Council says it is a “coalition of NGOs and *resource owners*,” whose purpose is to “strengthen the role of civil society in P.N.G.” (emphasis added). According to the *Post Courier* of Aug. 14, 1996, the Watch Council was established as a funnel “through which the international development donor and service agencies, and the World Bank . . . can sensitively reach their grass roots.” These “international donors” include the Australian and Canadian governments, the latter of which has really poured in the funding, both through the individual Canadian NGOs and through the government’s own Canada Fund.

The next phase

Though Her Majesty’s minions ousted Chan, they have not yet achieved all they set out to. According to the report of P.N.G.’s National Intelligence Organization, Transparency’s plan was to install Privy Councillor Sir Michael Somare as prime minister. Somare, who organized his campaign for parliament around the theme of “fighting corruption,” is a typical Transparency asset: As prime minister in 1985, he intervened to secure the release of three Australian businessmen, over the strident objections of his police and Customs officials, whose drug-sniffing dogs had gone wild over the Australians’ plane at Port Moresby airport.

Somare was defeated by Bill Skate in the vote for prime minister. Skate had fiercely criticized Chan over the Sandline affair, but Chan helped to broker Skate’s election as prime minister. Evincing the nationalism often common to political opponents in P.N.G., Skate said that P.N.G. had been “misled by many people” over the Sandline affair, warned against “interference from foreign sources,” and said that he looked forward to receiving advice from Chan, and from former Prime Minister Paias Wingti, whom the Transparency crowd also knocked out of parliament.

The situation remains highly fluid. In late July, Army troops loyal to Singirok arrested the new Army commander, Brig. Leo Nuia, whom Chan had appointed to replace Singirok. They also sprung Maj. Walter Enuma, Singirok’s deputy in the March uprising, from jail at gunpoint. Nuia has since been released, and Singirok is expected to be charged with sedition, but Her Majesty’s grab for P.N.G.’s raw material wealth has clearly just begun.