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A Liberal 'Respect for Small Property'

Paul Hasluck and the 'Landless Proletariat' in the Territory of Papua and New Guinea, 1951-63

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The official records of the Australian state in the Territory of Papua and New Guinea (TPNG) now open to academic scrutiny are sufficient to warrant a comprehensive revision of the former Territory's late-colonial history. As a contribution toward this revision, I examine the developmental legacy of long-serving Liberal Minister for Territories, Sir Paul Hasluck. It is argued that insofar as government policy for TPNG came to articulate a coherent policy, it was in a definition of 'indigenous community' as synonymous with village agriculture. For Hasluck, the aim of development policy was 'to maintain village life and the attachment of the native to his land'. Beginning with a discussion of Hasluck's 'intellectual universe', the ameliorative tradition according this coherence to government policy is demonstrated with reference to indigenous land and labour.

IN HIS 1985 essay, 'Capitalism in Papua New Guinea: Development and Underdevelopment', Donald Denoon lamented that Pacific historiography had 'largely ignor[ed] developmental questions'. He argued that whilst 'the region has played host to many of the leading ethnographers and social theorists of the 20th century ... the islands are latecomers to the debates which vex other social scientists'.¹ Denoon entered into this debate by invoking a very narrow definition of capitalist development, as 'private ownership of the means of production, and labour performed by people who ... sell their labour-power for wages', suggesting that in the absence of these conditions 'only a truncated capitalism can be discerned in Papua New Guinea'.² Thus, Papua New Guinea's late-colonial experience was one of 'colonialism without capital' and hence without development.

Central to Denoon's argument for the relative absence of development in TPNG was the view that the colonial administration lacked a coherent plan and that Papua New Guineans were regarded as 'producers of last

* I would like to thank Scott MacWilliam, Stewart Firth and John Overton for their helpful comments on earlier versions of this paper.

¹ D. Denoon, 'Capitalism in Papua New Guinea: Development and Underdevelopment', *Journal of Pacific History* 20, no. 3 (1985): 119.

² *Ibid.*, 132.

resort'.³ Interpreted in an environment that was 'anxious to condemn state action as ... pandering to the expatriate presence',⁴ this observation supported a number of assumptions which, in the process of repetition, have reached the status of dogma. As recently re-stated by John Connell, these assumptions include the propositions that TPNG 'was one of the last places in the world where white settler colonialism was advocated as colonial policy'; that 'despite the centralisation of power there was no overall development strategy and no cohesion to government policies'; and that 'except for a brief period after the war greater concern was attached to the necessity for adequate supplies of plantation labour'.⁵

The thirty-year rule covering the official archives of Australia's late-colonial administration of TPNG has all but lapsed. The material now open to public scrutiny is sufficient to warrant a comprehensive revision of the Territory's late-colonial history. This paper is intended as a contribution toward the revision. It examines the developmental legacy in TPNG of long-serving Liberal Minister for Territories, Sir Paul Hasluck (1951–63). I argue in re-visiting Hasluck's legacy that the concept of development remains central, although not in the linear, historically truncated sense initially posited by Denoon. Rather, development is defined here as a unity of two processes, one spontaneous, as in the development of capitalism, the other intentional, as in programmes designed to protect 'community' from the negative consequences of unfettered accumulation—poverty, landlessness and the dissolution of community. Insofar as development practice in TPNG gave expression to a coherent policy, it was in a definition of 'indigenous community' as synonymous with smallholder agriculture.⁶ For

³ *Ibid.*, 125. Denoon's claim that 'Papua New Guineans were perceived as producers of last resort' is based on a 1950 memorandum, in which the Director of War Service Land Settlement lists, but fails to discuss, indigenous agricultural production as a developmental option for TPNG. However, a re-reading of this file suggests that this failure had nothing to do with the potential viability of indigenous agriculture, and more to do with the acknowledged fact that the Director felt he was not qualified to discuss the matter (I am grateful to Scott MacWilliam for alerting me to this point).

⁴ S. MacWilliam and H. Thompson, *The Political Economy of Papua New Guinea: Critical Essays* (Manila: Journal of Contemporary Asia Publishers, 1992), 133.

⁵ J. Connell, *Papua New Guinea: The Struggle for Development* (London: Routledge, 1997), 6, 18, 20.

⁶ Smallholder production is used here to describe a situation where the right to labour-power has been extended to include the right to property, or the right of labour to reproduce her/his subsistence. In TPNG development policy not only sought to strengthen the attachment of indigenous households to the land; it also sought to refashion the terms on which land was occupied. As Hasluck explained: 'the established policy of preserving the native rights in land ... will only prove effective if, in practice, the natives live on their land and *work it*, using it to greater advantage than in the past'. A free market in land, contrary to the argument exemplified by anthropologist Lisette Josephides, is not a logical presupposition 'for the emergence of capitalist social relations'. Papua New Guinean households are not centres of a mystical 'land-human' nexus, but are smallholders drawn into the capital-labour relation as producers whose production was first set in motion by the colonial state. The fact that attempts to register land in Papua New Guinea continue to be met with public protests shows how property rights have become deeply embedded in the right of households to their labour-power, 'a right made by producers to reproduce their subsistence': M. Cowen, 'The Agrarian Problem: Notes on the Nairobi Discussion',

continued ...

Hasluck, the aim of development policy was 'to maintain village life and the attachment of the native to [sic] his land'.⁷ Beginning with a discussion of Hasluck's 'intellectual universe', the ameliorative tradition according this coherence to government policy is demonstrated with reference to indigenous labour and land policy. As part of this discussion, the assumptions re-stated by Connell are rejected as pure sophism.

Hasluck and the modern idea of development

In their book *Doctrines of Development*, described by one reviewer 'as a counterweight to some recent development writings by post-modernists',⁸ Michael Cowen and Robert Shenton present a critical account of the origins of development as an idea. Cowen and Shenton argue that the logical starting point of development is not as an imperial vestige of the colonial state, before or after decolonisation. Rather, development has a deeper, negative history, emerging 'amidst the throes of early industrial Europe' as the attempt to construct order out of the social disorders of poverty and unemployment.⁹ Emerging in response to the fact that capitalism came into the world 'dripping from head to toe ... with blood and dirt',¹⁰ development contained two core elements—*immanent* and *intentional* development. The first refers to a spontaneous, *immanent* process of capital accumulation epitomised in the popular notion of *laissez-faire*; whilst the second describes a constructivist or *intentional* process designed to ameliorate the adverse effects of unfettered capitalism—unemployment, poverty and the dissolution of community.¹¹ The intention to develop becomes development *doctrine* when plans to redress the negative consequences of capital accumulation are attached to state power. Critical is the category of trusteeship, or the intent, expressed through the state, to develop the values of a prior defined 'community'. Trusteeship is what 'binds the process of development to the intent of development'.¹²

Review of African Political Economy 20 (1981): 62–3; Hasluck, Native Labour Policy—Papua and New Guinea, 2 March 1955, Department of Territories (hereafter DT), series M1776/1, volume 7, National Australian Archives (hereafter NAA), Canberra, (emphasis added); L. Josephides, *The Production of Inequality: Gender and Exchange Among the Kewa* (London: Tavistock, 1985), 90–2; S. MacWilliam, 'Smallholder Production, the State and Land Tenure', in *Customary Land Tenure: Registration and Decentralisation in Papua New Guinea*, ed. P. Larmour (Port Moresby: National Research Institute, 1991): 9–32; S. MacWilliam, 'Smallholdings, Land Law and the Politics of Land Tenure in Papua New Guinea', *Journal of Peasant Studies* 16, no.1 (1988): 77–109; and S. MacWilliam, 'Just like Working for the Dole': Rural Households, Export Crops and State Subsidies in Papua New Guinea', *Journal of Peasant Studies* 23, no. 4 (1996): 40–78.

⁷ Hasluck, Australian Policy in Papua and New Guinea, 1956, Department of Agriculture, Stock and Fisheries (hereafter DASF), accession 12, box 16.664, file 9-1-1, Part 2, Papua New Guinea National Archives (hereafter PNGNA), Port Moresby.

⁸ A. Morris, 'Doctrines of Development', *Scottish Geographical Magazine* 112, no. 3 (1996): 200.

⁹ M. Cowen and R. Shenton, *Doctrines of Development* (London: Routledge, 1996), 5–6.

¹⁰ K. Marx, *Capital Volume One* (1867; London: Penguin Classics, 1990), 926.

¹¹ Cowen and Shenton, *Doctrines of Development*, ix–x.

¹² *Ibid.*

Cowen and Shenton criticise the contemporary development literature for routinely conflating intentional and immanent development: 'because development, whatever definition is used, appears as both means and goal, the goal is most often unwittingly assumed to be present at the onset of the process of development itself'.¹³ For example, assuming that the requisite conditions for capitalist development are a free market in land and labour, Denoon concludes that their relative absence in TPNG indicates that development was absent: 'Australian colonialism did not *fail* to transform societies and economies: it *declined* to do so'.¹⁴ In contrast, it is argued here that the absence of a wage labour force in TPNG was part-and-parcel of a definite intention to develop. That is, development doctrine was invoked in opposition to the fluidity of the 'new', in particular the landless proletariat. The intention, most forcefully stated by Hasluck, was to use state power to 'confront, compensate and pre-empt this fluidity of movement in order to renew the agrarian condition of development by locking up [the] population in the countryside'.¹⁵ By conflating intention and process, the origin of the Minister's opposition to proletarianisation not only remains hidden, but is omitted from discussion. Consequently, the dominant feature of Australian late-colonial policy toward TPNG, namely the ascendancy of village agriculture, is treated not as an example of intentional development, but as an *ad hoc* colonial paternalism.

Appointed Minister for Territories in May 1951, Hasluck understood 'the risk of building up a "landless proletariat"' as 'the special concern of the Government'.¹⁶ Informing the Minister's distaste for proletarianisation was an intellectual universe shaped by two important influences: radical toryism and liberalism. On the first, the influence of William Cobbett was central.¹⁷ According to Hasluck, the nineteenth-century radical was:

part of the resistance to the breaking up of the farm life of England by the new industrial age, and with that breaking up of farm life, the loss of sturdiness, thrift, independence, and above all that freedom and love of liberty which he saw as the chief characteristic of the yeomen of England before they became separated from the land ... In his most radical stage Cobbett had a good deal of Tory in him; he was always strong on property; he had no airy notions about equality but rather believed in such practical things as the restoration or protection of a man's just rights.¹⁸

What was asserted by Cobbett, and a tradition which included William Morris, was an idealised view of pre-capitalist society, against the distortions of humanity which underpinned the so-called progress of industrial capitalism.

¹³ *Ibid.*, 439–440.

¹⁴ Denoon, 'Capitalism in Papua New Guinea', 132 (original emphasis).

¹⁵ Cowen and Shenton, *Doctrines of Development*, xiii.

¹⁶ P. Hasluck, Native Labour Policy, 23 April 1956, DT, series M1776/1, volume 9, NAA, Canberra.

¹⁷ S. MacWilliam, 'Liberalism and the End of Development: Partington Against Hasluck and Coombs', *Island* 70 (1997): 90.

¹⁸ P. Hasluck, Lectures and Radio Talks Mainly on Literary Subjects Given in 1935, 1936 and 1937, Records held at 14 Reserve St. Claremont.

Like Cobbett, Hasluck was no apologist of progress. In the context of TPNG, he was suspicious 'about the easy enthusiasm for any sort of development, but especially those projects that called for [the] permanent transference of labour'. The Minister's suspicion was based not on the realities of capital accumulation in TPNG, but on a nineteenth-century image of capitalism's bloody past: 'musing on economic history', Hasluck continued, 'one reflects that ... the most deplorable consequences in the nineteenth century of the industrial revolution, such as depressed labour, slum dwellings and class enmities, followed actions that were regarded as worthy steps of economic progress.'¹⁹ On this latter point, in a paper aptly titled 'The Fallacies of Progress', Hasluck spoke critically of the blind confidence 'that progress will continue', arguing that 'we overlook the possibility that sometimes there may be decline and decay'. Elaborating, he added:

Because some changes are for the better we fall into the fallacy that all change is for the better. We cease to ask critically whether the condition we have produced is really better than the one it replaced. We become careless or even indifferent about arguments on what is better and what is worse.²⁰

'Progress', of course, referred to the immanent processes of capitalist development, whilst the idea that social change needs to be 'critically' assessed as to whether it represents an advance on some prior existing state, referred to intentional development. On the former, Hasluck held considerable doubt as to whether 'any reformer could cancel what the enthusiast calls tremendous progress'.²¹ The point therefore, was to use state power to guard against the potential for 'decline and decay'. As Scott MacWilliam notes, 'while he always retained doubt about the capacity of the intentional to permanently overcome spontaneous, immanent development, with its downside of decline and decay, nevertheless Hasluck had a considerable attachment to the modern idea of development'.²²

According to Allan Healy, Hasluck's colonial philosophy was informed not by the idea of development, but by notions of assimilation. For Healy, Hasluck's background in 'evangelical Christianity, his pre-war interest in indigenous Australian policy' and a 'culturally monist view of the world' ensured that as Minister for Territories, 'the essential problems of administration ... boiled down to the long-term education of the native to accept the superior usages of Australian civilisation'.²³ Hasluck's interest in indigenous

¹⁹ P. Hasluck, *A Time for Building: Australian Administration in Papua New Guinea 1951-63* (Melbourne: Melbourne University Press, 1976), 326.

²⁰ P. Hasluck, 'The Fallacies of Progress', *Servio News* 3, no. 28 (1977): 1; and MacWilliam, 'Liberalism and the End', 91.

²¹ Hasluck, 'The Fallacies of Progress', 7.

²² MacWilliam, 'Liberalism and the End', 90.

²³ A.M. Healy, 'Hasluck on Himself', in *The Hasluck Years: Some Observations—The Administration of Papua New Guinea, 1952-63*, eds A. Ward, T. Voutas and B. Jinks (Discussion Paper 1/79, La Trobe University: The Research Centre for South-West Pacific Studies, 1979), 34-5.

Australian policy did indeed inform his approach to TPNG, but not in the sense suggested by Healy.

The intention here is not to defend Hasluck's version of assimilation. However, to use it as Healy does, to support his argument that Australian colonial policy was monolithic, is erroneous. Hasluck's advocacy of assimilation had its origins in 'impoverishment and decay of Aboriginal life' arising from the failure of Commonwealth policy to 'protect' indigenous Australians from the social disorders of poverty and the dissolution of community.²⁴ As he explained in his *Black Australians: A Survey of Native Policy in Western Australia, 1829-1897*, the seventy years of contact between indigenous Australians and an expanding capitalist frontier resulted in social decline, or the corruption of development for the former.²⁵ Assimilation therefore, held a constructivist intent: faced with a prior situation of 'decline and decay', intentional development required assimilation so as to bring the assumed 'benefits' of citizenship to indigenous Australians.²⁶ According to Hasluck, state practice had to shift from the essentially administrative category of protection to the provision of welfare and hence, of development. Emphasising the 'positive' side of trusteeship, Hasluck wrote that protection could never 'halt either ... the zeal of missionaries or the pressure of settlement'.²⁷ Assimilation as a form of intentional development was structured against the perception that immanent development had undermined existing forms of indigenous community to such an extent that they could not be restored: 'the adoption of that policy of assimilation', Hasluck wrote, 'owed a good deal to the observation by anthropologists of the crumbling away of aboriginal society and culture'.²⁸

In contrasting Hasluck's constructivist views on indigenous affairs in Australia with his TPNG policy, MacWilliam notes that in the former 'assimilation required trusteeship, where the indigenous population were in the minority', whilst in the latter 'the paramountcy of native interests required trusteeship where the indigenous population were in the majority'.²⁹ Informing both was the ameliorative heritage of nineteenth-century liberalism, conceived not in the contemporary anti-constructivist mode, but rather in the sense articulated by Australian liberal F.W. Eggleston: namely, 'as positive efforts for social justice or to eliminate poverty or other evils which depress the potentialities of citizens'.³⁰

²⁴ MacWilliam, 'Liberalism and the End', 90.

²⁵ P. Hasluck, *Black Australians: A Survey of Native Policy in Western Australia, 1829-1897* (Melbourne: Melbourne University Press, 1942), 204.

²⁶ MacWilliam, 'Liberalism and the End', 91.

²⁷ P. Hasluck, 'From Protection to Welfare, Address to the Biennial Conference of the Australian National Council of Women', 14 October 1952, in *Native Welfare in Australia: Speeches and Addresses by the Hon. Paul Hasluck*, ed. P. Hasluck (Perth: Paterson Brokensha, 1953), 33.

²⁸ P. Hasluck, 'Some Problems of Assimilation', Address to Section F to ANZAAS, Perth, August 1959, in *Aborigines in White Australia: A Documentary History of the Attitudes Affecting Official Policy and the Australian Aborigine 1697-1973*, ed. S. Stone, (Melbourne: Heinemann Educational Books, 1974).

²⁹ MacWilliam, 'Liberalism and the End', 92.

³⁰ F.W. Eggleston, *Reflections of an Australian Liberal* (Melbourne: F.W. Cheshire, 1953), 4; and MacWilliam, 'Liberalism and the End', 98.

Hasluck's attachment to the modern, ameliorative idea of development for TPNG was most clearly evident in his criticism of the tendency to conflate liberalism with *laissez-faire*. For example, when criticised by his parliamentary colleagues for departing from 'the principles of the Liberal Party', particularly with respect to legislation prohibiting free-hold land tenure, Hasluck responded by arguing that:

the liberal respect of property ... is a respect for a small property no less than a respect for a large property and ... I assert that the private enterprise of every native villager is just as sacred to liberalism as is the private enterprise of any European.³¹

Just as liberals and fabians in Britain came together on the 'problem of Kenya', with its white estates and impoverished class of indigenous producers,³² Hasluck's defence of small property ownership implied a similar, albeit less recognised, coming together, in which Cobbett's agrarian bias and liberalism's defence of private property combined to commodify land in a form that sought to check indigenous landlessness.

Hasluck's distaste for proletarianisation came to dominate his approach to colonial policy. As noted above, the provision of welfare was secured through measures that maintained the attachment of indigenous households to their land, and hence their 'community'. In this sense, the primary directive informing policy was not one of meeting social need through production, but rather a one-sided attempt to deal with the problem of indigenous unemployment: 'we ... have to be sure', Hasluck wrote, 'that they [indigenous households] do not expose themselves to the hazards of the wage-earner, including that of unemployment'.³³ Hasluck's interest in indigenous Australian history meant that he retained an element of doubt as to whether the intentional could overcome the immanent, and hence 'decline and decay' in the form of proletarianisation. For example, on the question of labour in TPNG he accepted that 'one of the accompaniments of change would be the growth of an urban proletariat'. The point however, was to exercise state power to control the speed in which capitalist development tended towards this eventuality: 'I expressed the view', Hasluck wrote, '[that] we should not promote or expedite the transfer of the people from the village to the town'.³⁴ Land and labour policy therefore, were to be exercised as mechanisms for locking-up the indigenous population in the countryside.³⁵ As Hasluck explained:

³¹ *Commonwealth of Australia Parliamentary Debates* (hereafter *CAPD*), 30 September 1959, 1574-5.

³² Cowen and Shenton, *Doctrines of Development*, 295-6.

³³ P. Hasluck, *Australian Policy in Papua New Guinea*, 1956, DASE, accession 12, box 16.664; file 9-1-1, Part 2, PNGNA, Port Moresby.

³⁴ Hasluck, *A Time for Building*, 335.

³⁵ *Ibid.*, 228.

We have to contemplate in the long term the problems that may be set up by the early creation of a landless, urban proletariat. Our concern with such an eventuality is not repressive in intention but is one which pays regard to the risks to which the individual and the group will be exposed in the course of the transition. We have to be careful that they do not lose their social anchorage in the village before we can be sure that they find an equally safe social anchorage ... as wage-earners in the town.³⁶

The *Pacific Islands Monthly* noted Hasluck's attraction to state power as the medium through which to direct and centralise development policy. The journal observed in typically reactionary language that the Minister 'may be nominally a Tory; but his record up to date ... suggests that he is mostly a Socialist planner'.³⁷ This observation was directed at Hasluck's moves to centralise the administration of land (see below). However, rhetoric aside, it could have been applied to any one of the administrative arms of the state identified by the Minister as central for preserving 'the village' as the site of indigenous 'community'.

Labour policy: capitalism, proletarianisation and development

Money becomes capital when it is attached to labour-power and the means of producing commodities. Whilst the entry of capital into TPNG during the interwar period was essentially private and limited in scale, after 1945 the converse was true. Prior to 1945, development of the Territory of Papua and the Mandated Territory of New Guinea was limited by the financial resources of the Administrations, except for an annual administrative grant of £46,000 paid by the Commonwealth to the Papua Administration of Sir Hubert Murray.³⁸ In contrast, under Hasluck's tenure as Minister for Territories, Commonwealth grants to TPNG were equivalent to \$10,569,000 in 1951, increasing to \$16,864,000 in 1956, \$25,617,00 in 1960 and \$40,000,000 in 1963.³⁹

'Free' wage-labour was non-existent in TPNG. As a consequence, there existed no necessary post-war commitment to a welfare state. Instead, social democratic demands for full employment and state-sponsored welfare were re-worked as the provision of indigenous self-employment in small-farm agriculture. Whether advanced as revenue for agricultural extension, the provision of social services and/or the establishment of processing and marketing facilities, the quantitative increase in capital noted above was superintended in accordance

³⁶ Hasluck, *Australian Policy in Papua and New Guinea*, 1956.

³⁷ 'Islands Development and Visionary Ministers—Especially Australian', *Pacific Islands Monthly* 25, no. 10 (1955): 14.

³⁸ Territory of Papua—New Guinea: Expenditure and Revenue, 27 March 1947, DASE, accession 12, box 3875, file 1-1-3 Part 1, PNGNA, Port Moresby.

³⁹ I. Downs, *The Australian Trusteeship: Papua New Guinea 1945–1975* (Canberra: Australian Government Printing Service, 1980), 122–3.

with state plans for expanding indigenous commodity production.⁴⁰ Central to this shift was the strengthened capacity of the colonial state.

In 1954 Hasluck informed the Commonwealth Parliament that:

By and large, the situation in Papua and New Guinea did not call for any striking revision in policy ... What it did call for was a fundamental re-organisation and a building up of strength and efficiency of the Administration, so that it could make that policy effective in action.⁴¹

Hasluck placed considerable importance on administrative strength and capacity. In May 1951, he replaced long-serving, conservative Secretary for the Department of Territories J.R. Halligan with Cecil Lambert who, having previously worked under Dr H.C. Coombs, shared the Minister's constructivist approach to development policy. Halligan however, was not the main casualty of Hasluck's move to centralise state policy. This honour fell on Administrator Colonel J.K. Murray (1945-52).

Having guided the Territory Administration through the initial stages of reform, Murray's reaction to his dismissal was deeply critical. In an interview with the editor of the *South Pacific Post* he spoke of being subjected to 'a war of nerves' orchestrated by a Liberal government determined to 'remove him from office'. Referring to the political links his replacement Donald Cleland had with the Western Australian Liberal Party, Murray attacked Hasluck on the grounds that: 'it appears that the Prime Minister and Mr. Hasluck believe that colonial administration is best provided for here by the appointment of a person more highly experienced in organising successful post-war political election campaigns'. The article went on to paraphrase Murray's concern that 'with the present Government he considered the emphasis would move away from native welfare to natural resources'.⁴² In practice there was little policy difference between Murray and Hasluck. However, as Brian Jinks noted, the publication of Murray's comments gave Hasluck the 'perfect opportunity for reply, in which he made clear the real reason for the dismissal: not policy or ideology, but power'.⁴³ In two articles for the *Sydney Morning Herald* in August 1952, the Minister outlined the constitutional position of the Administrator. In the first article, Hasluck argued that 'everything the Administration does in Papua and New

⁴⁰ While the terms through which the Administration sought to superintend the scheme of smallholder production shifted, its overall ascendancy as the dominant form of agriculture went unchallenged throughout the period of late-colonialism. For example, fuelled by the substantial increase in assembled capital for colonial development, smallholder output for coffee increased from 18 tons in 1954 to 7,000 tons in 1965; for cocoa, smallholder output increased from 78 tons in 1954 to 9,500 tons in 1965; and for copra, smallholder output increased from 25,000 tons in 1954 to 38,000 tons in 1965; see H. Wright, 'State Practice and Rural Smallholder Production: Late Colonialism and the Agrarian Doctrine in Papua New Guinea, 1942-1969' (PhD thesis, School of Global Studies, Massey University, 1999), 11-13.

⁴¹ CAPD, 1 September 1954, 849.

⁴² Col. J.K. Murray Attacks Govt. 'Gross Impertinence by Minister', 11 July 1952, *Age*, DT, series A1838/283, file 301/1, NAA, Canberra.

⁴³ B. Jinks, 'Hasluck's Inheritance: Papua New Guinea in May 1951', in Ward, Voutas and Jinks, 29.

Guinea is done on behalf of the Australian Government in pursuance of a policy laid down by the Government'. The Administrator, therefore 'cannot assume the responsibility of the Government'.⁴⁴

The second article reaffirmed the continuation of the previous Administration's policy of developing indigenous commodity production, albeit within the centralised framework outlined in the first article.⁴⁵ In this sense, the *Sydney Morning Herald* articles signalled not a departure from existing policy, but as Jinks indicated, the 'exact, unabashed, patronising account of the way in which Papua New Guinea was to be subordinated to Canberra's wishes for the next twenty years'.⁴⁶ However, whilst the description by Jinks is accurate, it suggests nothing in way of motivation.

In a minute to Lambert dated January 1952, Hasluck expressed the view that as he saw it 'the problem is basically one of making the Territory Administration do what we expect it to do, to carry out government policy'.⁴⁷ Insofar as the definition of 'the village ... as the point of stability in a time of social change' was abstracted not in terms of the stability of the 'old', but rather in opposition to the instability of the 'new', in particular the 'landless proletariat', government policy was synonymous with the development of small-farm agriculture.⁴⁸ In this sense, Hasluck's plan to centralise development policy referred to the ordered application of an agrarian doctrine of development. However, defined in isolation from this 'special concern', Hasluck's noted 'obsession with control and public administration' is typically reduced to a simplistic voluntarism.⁴⁹ It is argued here that the centralisation of administrative power cannot be considered apart from the Minister's attraction to the modern idea of development.

Hasluck was a nationalist, who held a healthy antipathy toward British imperialism. Recalling his first visit to TPNG, Hasluck admitted to being 'revolted' at the 'habits and outlook of colonialism' that permeated white society in the Territory. In 1952, he conceded that:

one reason why I sometimes feel doubtful about the outcome of our task is that I doubt whether in the whole of the administrative, commercial and productive community in Papua and New Guinea there are more than half a dozen individuals who could be called civilised in the full sense of the term.⁵⁰

Hasluck's contempt for the social and intellectual environment that permeated the Territory, his 'apparently ... poor opinion of Territorians',⁵¹ meant that he did

⁴⁴ P. Hasluck, 'New Guinea Presents Governmental Knot', *Sydney Morning Herald*, 4 August 1952.

⁴⁵ P. Hasluck, 'Native Welfare is a Big N. Guinea Task', *Sydney Morning Herald*, 5 August 1952.

⁴⁶ B. Jinks, 'Policy, Planning and Administration in Papua New Guinea, 1942-1952, with Special Reference to the Role of J.K. Murray', (PhD thesis, Department of History, University of Sydney, 1975), 693.

⁴⁷ P. Hasluck to Lambert, 14 January 1952, DT, series A518/1, file A1927/2, NAA, Canberra.

⁴⁸ Hasluck, 'Native Labour Policy—Papua and New Guinea', 2 March 1955.

⁴⁹ Jinks, 'Policy, Planning and Administration', 30.

⁵⁰ Hasluck, *A Time for Building*, 73.

⁵¹ J. Sinclair, 'Australian Colonial Administration of Papua New Guinea, 1951-1963: A Field Staff Point of View', in Ward, Vouias and Jinks, 52.

not trust core sections of his administrative staff, including the Administrator, when it came to grasping the ameliorative ideals he attached to the policy of preserving indigenous 'community'. For example, in October 1955, the 'cardinal point' of government policy was stated as the advancement of 'native agriculture ... in order to improve and vary the basic food supplies of the country and, more generally, to open the way towards the economic development of the native peoples'. Whilst not overly complicated, Hasluck confessed to 'an uneasy feeling that, while the Administration is now doing more to carry out this policy, it still does not fully grasp the ideas behind the policy'.⁵² The Administration's perceived failure to grasp the ameliorative ambition underlying the Minister's programme for expanded household agriculture came to a head in relation to indigenous land and labour policy.⁵³

Any expressed departure from Hasluck's views regarding the social limits to progress was dismissed as unacceptable. On the question of labour, a June 1953 report dealing 'mostly with the particular problems of how best to hold native labour to the job', was criticised by Hasluck for failing to grasp that labour policy was not to be formulated in 'the interests of industry'.⁵⁴ For the Minister, questions concerning the merits or defects of the Native Labour Ordinance were subordinate to the questions of: 'a) What are the desirable social results we want to bring about?'; and 'b) What are the undesirable social results we wish to avoid?'.⁵⁵ In a memorandum dated March 1955, Hasluck spelt out his own position:

the village is ... regarded as the main centre of native social organisation ... It affords the best setting in which social, economic and political advancement can take place. Therefore the preservation of the village and the continued attachment of natives to their villages are regarded as so important that native labour policy should serve those ends.⁵⁶

For Hasluck, a 'community' of small property owners, or 'capitalism without a proletariat', was the ideal form of intended development. As the Minister made clear to the Australian Senate in 1961, progress for indigenous households meant 'changing from village subsistence gardening to cash cropping, forming a native peasantry that, as long as families work as families, *will not be a major employer of wage-earning labour*'.⁵⁷

Hasluck's belief that the idea of development informing his approach to the labour question was at variance with the views held by some of his senior officers resurfaced again in 1956. Prior to the drafting of an amended Native Labour Ordinance, the New Guinea Planters Association appealed directly to Prime Minister Robert Menzies for a relaxation in the terms and conditions that

⁵² P. Hasluck to Lambert, 31 October 1955, DT, series M331/1, file 71, NAA, Canberra.

⁵³ Hasluck, *A Time for Building*, 131-3; 156-60; 228-30; 233-5; and 335-7.

⁵⁴ Hasluck, Native Labour Policy—Papua and New Guinea, 2 March 1955.

⁵⁵ Hasluck, *A Time for Building*, 160.

⁵⁶ Hasluck, Native Labour Policy—Papua and New Guinea, 2 March 1955.

⁵⁷ Statement read by Senator Paltridge on behalf of the Minister for Territories, *Commonwealth of Australia Senate Debates*, 15 August 1961, p. 22 (emphasis added).

prevented the employment of casual labour. Quoting 'relevant extracts' from an earlier statement by Hasluck, Cleland supported the plantation owners by advocating 'a gradual breaking-down of the agreement system' so that indigenous labour could be secured as wage-labour.⁵⁸ A notable omission from the statements quoted by the Administrator was a ministerial directive that labour policy be used to 'control ... the nature and the rate of social change among the native people'. Hasluck's response to Cleland's omission was emphatic: 'the ignoring of this point reveals not only [an] inability to understand the policy the Government has laid down, but also a most disturbing gap in the Administrator's understanding of the problem he is discussing'.⁵⁹ Hasluck expanded:

The special concern of the Government over the risk of building up a 'landless proletariat', and the congregation of 'foreign' natives on the outskirts of the larger towns, has been made clear on several occasions ... Yet now I am faced with the amazing proposition that native employment, which is one of the chief factors in producing these risks, can be regulated without close regard to those social factors and that the social consequences of employment are not relevant.

Cleland's proposal for the direct commodification of indigenous labour-power lacked any 'glimmering of understanding of the relationship between the regulation of native employment and the overall objectives of the Government's policy in the Territory'—the development of a community of small property owners.⁶⁰

For Hasluck, the desire to centralise administrative control was indeed paramount. However, attached to this desire was a prescriptive paradigm, an understanding of which is absent from Denoon's original essay on capitalism in TPNG. Hasluck's deeply entrenched opposition to proletarianisation, and its expression in terms of a centralised approach to intentional development, cannot be dismissed as an *ad hoc* paternalism. For example, in the late 1950s Hasluck wrote of feeling a 'growing concern at reports about what was described locally ... as "native unemployment"'. The Minister cautioned that to 'describe it as "unemployment" seemed to me to ignore broader questions of the standard of living, housing and social services for rootless people living on the fringe of urban life'.⁶¹ Hasluck's solution centred on the antithetical qualities of village agriculture. As he saw it:

it is better to maintain the old-established policy of preserving ... the association of the people with their own villages, for social change will come better in the village, the path of their advancement will be clearer there, and any evils, such as hunger, can be dealt with more effectively there.⁶²

⁵⁸ cited in Hasluck, *Native Labour Policy*, 23 April 1956.

⁵⁹ *Ibid.*

⁶⁰ *Ibid.*

⁶¹ Hasluck, *A Time for Building*, 233.

⁶² P. Hasluck, 'Foreign Natives' in Towns, 22 February 1960, DT, series M1776/1, volume 17, NAA, Canberra.

It was officially intended that indigenous households would be inserted into the capital-labour relation through state-directed schemes for the production of export, domestic and subsistence commodities. Whilst the Administration attempted different means of administering communities of smallholders—cooperatives, local government councils, land settlement programmes and nucleus estates—capital was involved in each and therefore, attached to indigenous households.⁶³

Land and the potential for landlessness

The claim that the 1950s favoured 'white settler colonialism' over indigenous development is situated against the extension of expatriate settlement into the TPNG highlands after 1952.⁶⁴ For the period 1948 to 1951, the inclusion of the highlands under the *Restricted Areas Ordinance 1950* meant that only six agricultural leases totalling 350 acres were granted in the Goroka Valley (Eastern Highlands).⁶⁵ In May 1952, the Territory Executive Council publicly opened the highlands to applications for agricultural leases. Fuelled by rising prices for coffee, the second wave of European settlement between 1952 and 1954 saw the total area of alienated land in the Eastern and Western Highlands increase to 3,550 acres.⁶⁶ By 1959, Australian settlers had secured 166 highland coffee leases.⁶⁷ Against the white colonialism thesis, it is argued here that the significance of this 'rush for brown gold' lies not in the amount of land alienated—of which there was very little—but in the reasons underpinning Hasluck's use of state power in checking it.

The autocratic office of District Commissioner, whilst established with the aim of directing all local activities through a 'chief executive' responsible for indigenous welfare, inadvertently created space for a haphazard, highly personalised approach to white settlement. Exemplifying this personalised approach was Eastern Highlands District Commissioner, Ian Downs (1952–56). According to Hasluck, land settlement was proceeding along the lines of 'have a yarn with the District Commissioner and he will fix you up'. The Minister was particularly critical of Downs for 'not ... see[ing] a relationship between his own local endeavours and a wider programme for the whole Territory'.⁶⁸

⁶³ P. Hasluck, *Foreign Capital Investment in Papua-New Guinea*, September 1963, DT, series A1838/1, file 846/2 Part 2, NAA, Canberra; Credit from International Finance Institutions, 2 August 1971, DASf, accession 1054, box 18.471 file 1-1-13 Part 1, PNGNA, Port Moresby; and Preparation of Submissions for Agricultural Credit from International Finance Institutions, 3 August 1971, *ibid*.

⁶⁴ Connell, *Papua New Guinea*, 6; Denoon, 'Capitalism in Papua New Guinea', 124–5; Jinks, 'Policy, Planning and Administration', 494.

⁶⁵ W. Timms, 'The Post World War Two Colonial Project and Australian Planters in Papua New Guinea: The Search for Relevance in the Colonial Twilight' (PhD thesis, Research School of Pacific and Asian Studies [hereafter RSPAS], The Australian National University, 1996), 109.

⁶⁶ B. Finney, *Big-Men and Business: Entrepreneurship and Economic Growth in the New Guinea Highlands*, (Honolulu: The University Press of Hawaii, 1973), 45.

⁶⁷ Timms, *The Post World War*, 107–8.

⁶⁸ Hasluck, *A Time for Building*, 90, 121–2.

In a memorandum to Lambert dated March 1954, Hasluck stated that 'our objective regarding the methods of land grants is to establish an orderly and just system and to end the possibility of land-grabbing or undue favouritism, as well as loss of control over land policy'.⁶⁹ Government policy, as stated by the Minister, sought to tie white settlement to state plans for expanded household commodity production (see below).⁷⁰ Loss of control over the granting of agricultural leases not only threatened this plan, but also the very basis on which it was established—indigenous small-farm agriculture. Exemplifying this tension was the contested image of Kenya.

The 1938–9 Hagen-Sepik patrol, led by J.L. Taylor, reported that the prospects for future white settlement in the highlands were promising. Taylor's patrol report included a recommendation that the Administration 'adopt the policy of the Government of Kenya and reserve the highlands of New Guinea for Europeans'.⁷¹ The image of the White Highlands was enthusiastically endorsed by the *Pacific Islands Monthly*, which asserted that 'these healthy uplands will absorb many European settlers who could make a second Kenya in Central New Guinea'.⁷²

Following the lifting of restrictions on white settlement in the highlands in 1952, critical comments regarding land alienation began to appear in the Australian press and the official journal of the Australian Administration, *South Pacific*. In the *Sydney Morning Herald*, anthropologist K.E. Read denounced the view that 'if the highlands are ever to become an economic asset to Australia ... it must be through an extension of the European plantation system'. The claim by intending settlers that land for plantation agriculture could be secured through the creation of 'native reservations' was rejected by Read on the grounds that 'the social and political problems which seem inevitably to follow in the wake of extensive white settlement far outweigh its short-term advantages. This can be seen in parts of British Africa'.⁷³ Read's comments were endorsed by James McAuley who, in an article for *South Pacific* declared that 'white settlement in tropical countries, now as in the past, is possible only by disregarding the risk of injuring native interests'.⁷⁴

By 1954 the prospects of extensive white settlement in the Eastern and Western Highlands appeared as more than just a possibility. However with the Mau Mau revolt in October 1952, the prospects of 'a second Kenya in Central New Guinea' acquired an altogether different meaning than it had at the time of Taylor's interwar patrol. In the *Sydney Morning Herald*, geographer O.H.K. Spate warned that 'forced European development', whilst being 'shorter and straighter than the long and arduous way of guiding native development', would 'lead

⁶⁹ P. Hasluck to Lambert, 11 March 1954, DT, series M1776/1, volume 5, NAA, Canberra.

⁷⁰ Timms, *The Post World War*, 79–81.

⁷¹ The Hagen-Sepik Patrol, 1938–1939, in *Readings in New Guinea History*, eds B. Jinks, P. Biskup and H. Nelson (Sydney: Angus and Robertson, 1973): 275.

⁷² "A Second Kenya" in Central New Guinea', *Pacific Islands Monthly* 10, no.1 (1939): 19.

⁷³ K.E. Read, 'Risks in New Guinea Settlement Scheme', *Sydney Morning Herald*, 28 August 1952, DT, series A1838/1, file 302/4/2, NAA, Canberra.

⁷⁴ J. McAuley, 'White Settlement in Papua and New Guinea', *South Pacific* 5, no. 12 (1952): 253.

straight to "a second Kenya"—the Kenya we have to-day'.⁷⁵ At a political level, the TPNG Sub-Committee of the Australian Labor Party, warned:

it is not that the land question in Papua New Guinea is dangerous yet, but that for a number of reasons very many natives are unhappy ...; and, observing this with the gross conditions in Kenya in mind, responsible people have been warning us that the present style of 'development' could be disastrous.⁷⁶

C.D. Rowley noted that McAuley's paper on 'White Settlement in Papua and New Guinea' caused a 'real stir in the Department of Territories' by 'pointing out the dangers of extending the plantation system'.⁷⁷ Hasluck agreed. In a memorandum to Lambert, he stated that McAuley's article would 'do good if it makes our officers aware that the application of our policy of land settlement is surrounded with many other considerations besides the promotion of production'.⁷⁸ Indeed, the implicit contradiction in the category of trusteeship, which saw McAuley condemn the plantation system but at the same time suggest that 'attention should be directed towards ... arrangements whereby the advantages of European capital and managerial skill might be joined with the working capacity of native families',⁷⁹ was precisely the same contradiction that the Minister was seeking to reconcile. However, this point notwithstanding, Hasluck's personal account of events makes no mention of the views expressed by Read or McAuley. Rather, his actions are accounted for in terms of a 'real awakening', a recognition of the potentially destructive consequences—landlessness and proletarianisation—should the process of development be allowed to unfold outside the control of the colonial state.⁸⁰

Hasluck's commitment to trusteeship and his desire to check any potential for indigenous landlessness found expression in the policy of tying white settlement to state plans for expanded indigenous commodity production. This is to say, the dogma most recently advanced by Connell, that during the 1950s TPNG was one of the last bastions of white colonialism, cannot be reconciled with the evidence.⁸¹ In October 1954, a ministerial statement on land policy stated that 'the pace of development is necessarily related to the pace of native progress towards civilisation'.⁸² Land policy was the primary means through which the state could mitigate the potential for development to give rise to landlessness. As Hasluck explained: 'the administration of lands is the chief means by which this

⁷⁵ 'Warning of a 'Second Kenya'', *Sydney Morning Herald*, 20 January 1954.

⁷⁶ 'Land Buying in New Guinea: Viewpoint of Labor Party', *Sydney Morning Herald*, 12 February 1954.

⁷⁷ C.D. Rowley, 'Hasluck and Papua New Guinea', *Historical Studies* 18, no. 70 (1978): 121.

⁷⁸ P. Hasluck to Lambert, 1 May 1952, DT, series M1776/1, volume 1, NAA, Canberra.

⁷⁹ McAuley, 'White Settlement', 250.

⁸⁰ Hasluck, *A Time for Building*, 121.

⁸¹ Connell, *Papua New Guinea*, 6; for the same view see R. Ward and J. Ballard, 'In Their Own Image: Australia's Impact on Papua New Guinea and Lessons for Future Aid', *Australian Outlook* 30, no. 3 (1976): 443-4.

⁸² P. Hasluck, Land Policy in Papua and New Guinea, 21 October 1954, DASE, accession 82, box 138, file 31-1-5, PNGNA, Port Moresby.

balance can be preserved, and it will consciously be used for this purpose, either to speed up or slow down development to keep it in close relationship with the changes taking place among the native peoples'.⁸³

In October 1953 Cleland, under orders from the Minister, called a halt to the issuing of agricultural leases, and in 1954 a new policy of land administration was announced. Hasluck's primary concern was to control the acquisition of land for medium to large-scale agriculture. As the Minister explained to Lambert:

I repeat what I have said on previous occasions, that it is the Government and not the land-seeker which should be master of the granting of land in Papua and New Guinea. Unless our procedures and methods make this routine we would *lose control over the carrying out of established policy in regard to land*.⁸⁴

The creation of the Land Development Board in 1954 and the centralisation of land administration within it reflected the prominence Hasluck gave to management in controlling the development of capitalism.⁸⁵ Instructed to make 'decisions in conjunction with its responsibility for co-ordinating opportunities for indigenous agriculture',⁸⁶ the Board was responsible for policy relating to the pace of white settlement, the size and location of agricultural holdings and the most suitable crop to be grown on any single lease.⁸⁷

The owner-operator who farmed approximately fifty to one hundred acres was to be used as a model of development.⁸⁸ According to Hasluck, this reversal in the order of priorities was necessary in light of the Territory's demographic realities:

The presence of the European settler is recognised as being valuable both for development of the resources of the country and for the tutelage of the indigenous people, but it is not envisaged either that the Europeans will ever rival in numbers the indigenous people or that the Europeans should set themselves up as colonists in colonial areas 'for Europeans only'.⁸⁹

The second wave of white settlement in the highlands (1952–54) appeared to threaten the essential pre-condition for the agrarian doctrine, that is, land occupied by indigenous households, and thus challenged the framework through which the state sought to insert indigenous land and labour-power into the capital-labour relation. The establishment of the Land Development Board gave effective expression to the re-configuration of the Administration's 'trust' as trusteeship on 'behalf of the peasant'. As Hasluck explained: 'the established policy of preserving the natives' rights in land ... will only prove effective if, in

⁸³ *Ibid.*

⁸⁴ P. Hasluck to Lambert, 11 March 1954, DT, series M1776/1, volume 5, NAA, Canberra (emphasis added).

⁸⁵ MacWilliam and Thompson, 137–8.

⁸⁶ Timms, *The Post World War*, 113–14.

⁸⁷ *Ibid.*

⁸⁸ *Ibid.*, 79–81.

⁸⁹ Hasluck, *Australian Policy in Papua and New Guinea*, 1956.

practice, the natives live on their land and work it, using it to greater advantage than in the past'.⁹⁰

For the period 1954–64, the number of agricultural leases for the entire Territory was limited to 178.⁹¹ Settler criticism of Hasluck's intervention in land policy was, of course, widespread. Having left the Administration for private coffee production in 1956, Downs expressed his concern that 'private enterprise' was not 'permitted to risk capital as it thinks fit', and that it had to 'wait for guarantees of success from Agricultural Officers too frequently opposed to particular ventures'.⁹² That Hasluck was indifferent to all such criticisms was indicative of the constructivist intent he attached to the Land Development Board in controlling the movement of capital into plantation agriculture.⁹³

That land alienation was limited in the highlands had nothing to do with an absence of capital, nor the supposedly good relations between the first settlers and the indigenous landowners, as was suggested by Diana Howlett.⁹⁴ Rather, the establishment of the Land Development Board represented a conscious policy aimed at binding the process of development to the intention to develop.

Conclusion

'Community' is the real abstraction of development policy, 'signalling the medium in which progress may be achieved'.⁹⁵ That Hasluck saw small-farm agriculture as the medium for indigenous progress in TPNG was not the result of poor anthropology, nor a false characterisation of the village economy. Rather, the attraction of household production as the ideal form of intended development was arrived at in opposition to the landless proletariat—anthropology did not enter into the equation. Once stripped of any real reference to the customary, development policy was free to advocate the introduction of new methods of production within the scheme of smallholder production—cooperatives, local government councils, land settlement schemes and state-supervised credit.⁹⁶ Insofar as capital was attached to each method, the agrarian doctrine of

⁹⁰ Hasluck, *Native Labour Policy—Papua and New Guinea*, 2 March 1955.

⁹¹ Timms, *The Post World War*, 109.

⁹² I. Downs to Hasluck, 19 May 1958, Downs I.F.G., Highlands Farmers and Settler Association Papers 1956–1968, number 609, Pacific Manuscripts Bureau, The Australian National University, Canberra; see also I. Downs, *Land Policy*, 3 June 1954, DASE, accession 247, box 283, file 28-2-88, PNGNA, Port Moresby; and I. Downs, *Purchase of Native Owned Land*, 24 June 1954, *ibid.*

⁹³ Hasluck, *A Time for Building*, 122–7; and P. Hasluck to Reilly, 5 October 1954, DT, series A518, file A815/1/5 Part 2, NAA, Canberra.

⁹⁴ D. Howlett, 'A Decade of Change in the Goroka Valley: New Guinea Land Use in the 1950s' (PhD thesis, RSPAS, The Australian National University, 1962), 228.

⁹⁵ Cowen and Shenton, *Doctrines of Development*, 475.

⁹⁶ M. Cowen and R. Shenton, 'Agrarian Doctrines of Development: Part I', *Journal of Peasant Studies* 25, no. 2 (1998): 51.

development for TPNG represented one of many possible forms of capitalist development and not, as claimed by Denoon, an example of 'colonialism without capital'.

Whether 'community' is represented by organised wage-labour or villagers attached to smallholdings, the confrontation mediated through the state is between intentional development and the disordered potential of capital accumulation. For Hasluck, the solution to this confrontation was trusteeship. However, if it was trusteeship that made development doctrine possible, it was the development of capitalism which stood between the Minister's ameliorative ideals and the intent to develop a 'community' of indigenous smallholders. That is, although Hasluck invoked the stability of 'the village' in opposition to the instability of the 'landless proletariat', at no point was the scheme of smallholder production independent of capital. As a result, development doctrine for TPNG echoed what Marx saw as implicit in 'all the good bourgeoisie': 'they all want competition without the lethal effects. They all want the impossible, namely the conditions of bourgeois existence without the necessary consequences of ... [that] existence'.⁹⁷ It was not a case of state power being inherently bad, but rather that it was necessarily limited by the effects of surplus value production. The legacy of Hasluck's development policy toward TPNG was not the absence of capital, but one of trusteeship invoked as the constructivist means to compensate for the development of capitalism.

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⁹⁷ Cited in R. Levin and M. Neocosmos, 'The Agrarian Question and Class Contradictions in South Africa: Some Theoretical Contradictions', *Journal of Peasant Studies* 3, no. 2 (1989): 239.