

BUSINESS AND BUREAUCRACY

BUSINESS AND BUREAUCRACY :
A STUDY OF PAPUA NEW GUINEAN BUSINESSMEN
AND THE POLICIES OF BUSINESS DEVELOPMENT
IN PORT MORESBY

C. LESLEY ANDREWS

New Guinea Research Unit
The Australian National University
Port Moresby and Canberra

© The Australian National University 1975

This work is copyright. Apart from any fair dealing for the purpose of private study, research, criticism, or review, as permitted under the Copyright Act, no part may be reproduced by any process without written permission. Inquiries should be made to the publisher.

Printed and manufactured in Australia by
The Australian National University

National Library of Australia
card no. and ISBN 0 85818 025 1

Editor, New Guinea Research Bulletin

R. J. May

Manuscript editors

Mary Lou Allen

Susan Tarua

The New Guinea Research Unit is part of the Research School of Pacific Studies, the Australian National University, and is based in Port Moresby.

The work of the Unit is guided by an advisory committee responsible to the Director of the School who is the chairman.

The other members of the committee are:

G. Daws, Pacific and S.E. Asian History

P. Hastings, Strategic and Defence Studies Centre

E. K. Fisk, Department of Economics

J. Golson, Department of Prehistory

R. Keesing, Department of Anthropology and Sociology

N. McArthur, Pacific and S.E. Asian History

R. J. May, New Guinea Research Unit

D. T. Tryon, Linguistics

R. S. Parker, Department of Political Science

P. Sack, Department of Law

R. G. Ward, Department of Human Geography

Contents

	<u>Page</u>
Preface	
Part I	
Chapter 1	An Overview 1
Chapter 2	Businessmen in town 45
Part II	
Chapter 3	Beginners in business 77
Chapter 4	The young moderns and their patrons 114
Chapter 5	BPC advisers and clients 133
Chapter 6	Development Bank projects 158
Chapter 7	Contractors 176
Part III	
Chapter 8	The social networks of urban businessmen 205
List of abbreviations used	243
Bibliography	245
Index	

Tables		<u>Page</u>
1.1	Total loan approvals, Development Bank, 1967-68 to 1971-72	20
1.2	Allocation of administration leases, November 1970 to August 1972	22
3.1	Mirikuro Transport employees: length of service by place of origin	87
3.2	Mirikuro Transport employees: length of service by job category	89
3.3	Mirikuro Transport employment patterns: some arrival and departure dates of <u>wantok</u>	90
3.4	Wages per fortnight - June 1966 to January 1970	91
4.1	Allied Enterprises: length of service according to job category	119
4.2	Allied Enterprises: length of service according to origin	119
5.1	Hamatopa Garage: work patterns, 10 December 1970 to March 1971	142
5.2	Garage Koki: work patterns, 2 July to 21 October 1971	143
7.1	Time allocation survey of Tapura's business (in five-minute periods)	183
7.2	Tapura's workforce: activities, origins and stability	185
7.3	Wage rates of building contractors in Port Moresby	185
7.4	AMK Builders: workforce	195
7.5	Hula Builders: workforce	196
8.1	Contacts - clients and BPC/DB field staff - evaluation and frequency ratings	215
8.2	Contacts	235

Figures		<u>Page</u>
1	Structure of the Department of Business Development, April 1971	9
2	Port Moresby	31
3	Port Moresby and environs	33
4	Baruni village: layout of houses in relation to tradestore, June 1971	106
5	Older established independents	208
6	Younger independents	210
7	Institution-tied - BPC	211
8	Institution-tied - DB	212
9	Hammond Motu	213
10	Builders and associated trades	214
11	Hanuabadans/Hanuabadans	217
12	Traditonal urban villagers	218
13	BPC based businessmen	219
14	Mechanics	220
15a-g	Migrants	221-3

Plates		<u>Page</u>
1	Port Moresby looking towards Paga Hill	30
2	Hanuabada	30
3	Some of the fleet and workers of a transport company	81
4	A Hanuabadan storekeeper and (at right) his assistant	98
5	Workers in a joinery workshop	121
6	A building contractor with (from left) his bookkeeper and another contractor	178
7	Presenting the bridewealth at Porebada	228

Preface

This study describes firstly, the nature and extent of Papua New Guinean participation in business in Port Moresby and secondly, its relation to the processes of official policy formulation and implementation. In this context 'participation' means ownership by Papua New Guineans; or involvement in joint venture with an expatriate where the major interest will be transferred to a Papua New Guinea participant; or involvement in a business where ownership, though presently vested in the Papua New Guinea Development Bank (DB), will be transferred to Papua New Guineans. Here 'Papua New Guinean businessman' includes some who, in terms of legal status,¹ are categorised as mixed race. Although a number of mixed-race men, mainly those with training in various trades, have become businessmen, only some are included in this study. The criterion adopted was whether as a businessman, an individual chose to operate within the framework provided by government for assisting Papua New Guinean businessmen. Those who sought and received government assistance, have been included in the study. Others, apparently identifying more closely with the European business world, have been excluded. From 1971 the restriction of certain government contracts to indigenous businessmen was being considered and this may have the effect of more clearly defining the ambivalent status of the mixed-race businessman.

¹ According to section 55 of the Ordinances Interpretation Ordinance 1949-1963, native means an aboriginal inheritant of Papua New Guinea and includes 'an aboriginal native of any islands of the Pacific ocean...who follows, adheres to or adopts the customs or who lives after the manner of the aboriginal natives of the territory of Papua and New Guinea...'. This is one of the few definitions incorporated in the law. In most ordinances the matter is, apparently deliberately, left undefined. The definition quoted here allows for the acceptance, by such organisations as the DB, of the Fijian businesswoman established in Port Moresby under DB auspices.

The concept of 'business' and the by no means coterminous Pidgin equivalent bisnis have received considerable attention (B.R. Finney 1969; Sankoff 1969: 71 ff; Salisbury 1970: 237, 267 ff). Large numbers of people, all manner of activities and scale of operations might be included under these headings. Thus in Port Moresby there are many small village tradestores, passenger truck operations and coastal canoe services.¹ Subcontractors in stone masonry or painting obtain work with private companies or government, employing a few wantok,² usually for short periods and on a labour-only basis.³ Then there are those who buy a lawnmower and seek work in suburban gardens, the betel nut and curio sellers on street corners, the produce sellers in Koki market. All these have been excluded from the present study since I follow Nadkarni (1970a) in considering them as subsistence activities which involve coping strategies and have little potential for reinvestment and growth. Nadkarni contrasts coping with developmental strategies and the businesses considered here fall in the latter category. The distinction is not simply a matter of scale; in the enterprises studied the businessman is involved in a type of activity which formerly was the preserve of expatriates, and/or in moving into this type of activity, the businessman has attempted to develop a non-traditional form of business organisation. On this basis the field of inquiry comprises thirty enterprises and at the time of fieldwork this was the total number of such businesses operated in Port Moresby independently or jointly with a European.

Fieldwork was carried out from September 1970 to April 1972 and unless otherwise specified, April 1972 is the cut-off point. For most of this time I lived in the housing estate of the University of Papua New Guinea. From there I commuted daily to various business premises and government offices.

¹ Figures for the town alone are not available. An assessment of the general significance of such enterprises is given by P. Matane, 'Growth of indigenous participation in commerce and industry in Papua and New Guinea, unpublished paper Department of Business Development (DBD) file 8-2-8, p.2, 13 June 1970.

² A Pidgin term meaning 'one speaks the same language, one who is of the same nationality, a compatriot, one who is from the same country, a neighbour' (Mihalic 1971), Cf Rew (1969: 25 ff).

³ Department of Labour file 45-3-1, 1964. See also Langmore (1967).

First contacts were made with a few of the older established businessmen and officers of government departments and other agencies. These provided introductions to other businessmen.

The research project was explained to informants as an attempt to describe Papua New Guinea involvement in the ownership and control of business in the town. The relation to official policy was also stressed. Businessmen responded with lively interest and ready co-operation, recognising the possible practical application of the findings of such a survey. This was an important consideration for them since the realities of a competitive, European-dominated commercial world meant a continuous struggle to maintain what seemed at best a precarious position. During the research businessmen would often call at my flat or leave messages at the anthropology department of the university, their requests ranging from help in drafting a letter to approaching a member of the House of Assembly about the settlement of a dispute with an expatriate company.

The fact that businessmen assigned me this role and gave a practical value to my work may suggest that in giving information they were concerned to create a favourable impression. In fact, it is impossible to know whether, or to what extent, this was the case. Most appeared to be remarkably frank and where it proved difficult to obtain information, such as the allocation of personal drawings from a business, the uncertainty expressed may well have been genuine.

Field staff, especially those of the Department of Business Development (BDB) and the DB were also most co-operative, allowing me to sit in on interviews, commenting at length on policies and day-to-day affairs, and granting access to files.

It will be obvious that a stance as a neutral observer was impossible. Nor was this attempted. Businessmen took a real interest in the practical implications of many of the changes being talked about, whether the reservation for Papua New Guineans of blocks of land zoned for commercial and industrial purposes or the restriction of tenders to local contractors. They sought explanation and assessment. Generally, while I attempted to outline the choices open to policy-makers on specific questions, I feel sure my personal views were fairly well known. This was clearly so when I became directly involved in a number of dispute settlements. In one instance my work situation affected the course of business development: through contacts with senior personnel in the architect's office at the university and with a knowledge of the background of DBD staff and potential local building contractors, I helped

these builders to participate in the university's construction programme. This source of work was subsequently of considerable significance for the development of several indigenous contractors.

As well as assisting in my inquiries into their business activities, many businessmen, recognising that my work was similar to that of other anthropologists known to them, were aware of my wider interests. These men were most hospitable in inviting me to participate in village activities such as feasts, special church services and bridewealth payments. In this way I met the wives and families of businessmen from Motu and Koita villages. However, where businessmen were migrants to the town, even informal contacts were invariably with them only.

English was used for most fieldwork situations. The diverse tribal origins of the businessmen, the use of English in encounters between European officials and their indigenous clients, and the latter's general fluency in English were the main determinants.

Initially a survey was conducted for all businessmen to obtain comparative data on their personal backgrounds, job histories and experience in business. In addition, more detailed studies were undertaken for a number of businesses in order to obtain information on such matters as sources of capital, equipment, production processes, clientele, employment records, financial statements and general day-to-day management. Most of this work was done at the business premises. Inevitably, since records were incomplete, this information may not be reliable and where deficiencies were obvious this has been indicated. This problem was especially serious for businesses established in the 1960s by a group of older men. In only one case were detailed records over a period of years available and even then much reliance had to be placed on verbal accounts of past events. Where possible these were checked out with other people involved. However, most businesses were established very recently, many during the study itself. Most were promoted by official agencies so records were generally accurate though the short time-span makes any findings based on them tentative.

Port Moresby's local businessmen have no formal organisation and few belong to any European-dominated pressure groups such as the Chamber of Commerce. In view of the lack of formal groupings and of the widespread assumption that most mixing of Papua New Guineans in town is on the basis of wantok ties, I completed a questionnaire with all businessmen to determine

the basis for patterns of interaction between them. This might also indicate the existence of reference groups to which businessmen belonged or towards which they oriented their actions. The form drawn up comprised a list in random order of the names of all businessmen as at 1 August 1971, together with the names of all DBD and DB field staff working at that time. Information recorded such as when and how the contact was first made, the frequency of meetings and a personal evaluation of the contact by the informant could be correlated with the general survey material mentioned above. In addition, five men kept diaries of all daily contacts for varying periods of time. Their selection was in part dictated by the nature of the demands on the time of particular businessmen and my knowledge of their likely readiness to undertake the task, but included are older and younger independent businessmen.

Case material was written up in rough draft form. Each businessman was given a copy of the section about himself and his business and this was prefaced by a note stating which other businessmen he was being compared with and on what basis. Their responses resulted in some modifications and changes in the final writing. Discussions were held with officials involved in certain case studies and their comments resulted in further changes.

Finally, an important aspect of the study that requires comment is the ethical problem involved in presenting data on the personal affairs and business activities of a small group where the identities of individuals can scarcely be disguised. It was decided, nevertheless, to use pseudonyms to protect individual identities. Other data have been deliberately omitted. For example, it has not been thought appropriate to include here the fairly detailed accounts which I have of the financial state of businesses. (Inclusion in general terms would be warranted if in using these figures other factors could be clustered to form some predictive schema of profitability. Given the small number of enterprises and the short operating time of many, I do not feel that this can be done.) Government officers and other informants are referred to according to their official role.

The material has been written up in three parts. Part One an interpretative survey, begins with an historical perspective. The theories of development that have found acceptance elsewhere are then outlined and within this framework the administrative structures for policy formulation and implementation, the nature of the policies as devised and practised, and the characteristics of the national economy are considered.

The Port Moresby situation is then described as a background to the section which follows; a discussion in terms of a number of themes of the findings of the study. In conclusion the main themes are discussed further in a wider context. Part Two comprises five sections, each containing a number of case studies with cases categorised in four sections according to the nature of the initial experience in business and to the type of activity in the fifth. The divisions, while by no means as clearcut as the arrangement might suggest, provide a framework for relating individual case material to questions of policy. The older established businessmen ventured into business, particularly the service industries of transport and retailing, before there was an urban-oriented development strategy in economic planning and before the DB or DBD existed. They were followed by younger, more educated men who diversified interests in the service field or, with the support of a European, pioneered in new fields such as manufacturing. Since then most new businessmen have been closely tied to the operations of DB, DBD or both. The following two sections are therefore concerned more with assessing the relationship between policy formulation and its implementation by field staff. The building contractors have been grouped separately in the next section since their similar requirements in terms of labour and managerial skills afforded an opportunity to analyse relationships within the firm.

In each of these sections I present one case in detail and more briefly outline other cases for comparison. As noted, this clustering is somewhat arbitrary, both because of the small number of cases and the diversity of type. This last feature is in itself significant since it reflects the diversity of the context within which indigenous businessmen operate.

Part Three comprises the networks material and attempts to widen the perspective by assessing the links cutting across the divisions outlined above.

Many people have been most generous in helping with this project. First and foremost I wish to thank the businessmen for their ready acceptance, assistance and hospitality. Officers of the DB and DBD gave unstintingly of their time, co-operation and access to files. Thanks are due to the cartographer of the Australian National University and to Sigrid Drinkrow, formerly photographer at the University of Papua New Guinea, for the plates 1 and 2. Many friends and colleagues and my family provided much needed support and stimulation at the various stages of writing-up.

PART I

HISTORICAL PERSPECTIVE

Chapter 1

An overview

...expertise [for development] can only come from an Australia familiar with New Guinea's conditions and problems and enthusiastically interested in continuing the long term partnership. This Australian partnership has brought strikingly rapid progress to this country which, a short time ago, was a human sink where ten thousand years or more of independence had left a miserable sprinkling of people battling against disease, cannibalism, and a fearsome Mother Nature they could not tame. Only a few pockets, mainly of Polynesian newcomers, achieved some measure of cohesed primitive civilisation.

Editorial, New Guinea Bulletin, vol.12, no.3, p.1, August 1971.

[Journal of the Highlands Farmers and Settlers Association]

Colonial setting

This pronouncement on the role of Australia in Papua New Guinea in 1971 reflects the extent to which all the connotations of the term 'colonialism' continue to find expression in this colony in a post-colonial era. The historical background to such a situation can be sketched in by reference to the usual colonial mix of alien influences: government, mission, trade and settlement.

Government. In 1884 southeast New Guinea was declared a British Protectorate and in 1906 the Papua Act declared British New Guinea to be the Australian Territory of Papua. The stated aim in both cases was to protect and civilise the

native inhabitants. To the northeast, the mainland and islands from 1884 to 1914 formed a German Protectorate. A year after the Protectorate had been declared the Deutsch Neu-Guinea Kompagnie was established, one of its functions being the administration of the colony. This reflected a different ordering of priorities; in New Guinea the promotion of trade and plantation development ranked before a civilising mission.

During World War I and until 1921 German New Guinea was under Australian military rule and thereafter Australia governed by virtue of a League mandate. There were thus two Australian administrations, one for Papua and one for New Guinea. The earlier policies of economic development continued in New Guinea; German plantations were simply transferred to Australian settlers. And with little pressure for settlement in Papua the policy there of native welfare was continued.

It is easy, however, to overestimate the influence of government. Forty years after annexation few New Guineans were under effective government control and even by 1939 most had only cursory contact with the occasional patrol, although changes were attempted in areas that had been pacified. Thus, in some places appointed officials, luluai and tultul or headmen, assumed positions of considerable local influence. In the 1920s in Papua and the following decade in New Guinea, village councils were established but without income or power. Effective power continued to be exercised through the traditional political system on the one hand, and on the other, through the official system of patrol posts, subdistrict and district headquarters.

From 1942 to 1945 parts of New Guinea were under Japanese rule and large parts of the rest of the country were affected by the war. Many New Guineans found employment for the first time. Others had their former quiet shattered; Manus Islanders, for example, had contact with a large and rich American force; Bougainvilleans, more directly in the fighting line, suffered privations. During the war, civil administration was suspended and Papua and New Guinea were governed as a single unit by the Australian New Guinea Administration Unit (ANGAU). After the war civil administration was restored on the same basis. However, the nonsensical division between the two territories remained and, particularly in towns, the terms 'Papuan' and 'New Guinean', and within the latter category, 'Highlander' have acquired meaning in terms of social group identification, whether in sports competitions, street fighting or political parties.

The post-war decades have seen a quickening of the pace of change but little shift in direction. During the 1950s the first councils at the district level were set up and more followed in the 1960s. At the national level a legislative council with an official majority was established in 1951. Ten years later the elected representation on the council was increased and for the first time elected Papua New Guineans took seats at the meetings. National political developments outpaced those at the local level. In 1964, when the first national elections were held for the House of Assembly, most voters had no experience of local council elections. However, by the end of the 1960s local government councils were operating in most areas and since 1965 they have had power to raise taxes. Councils have a mixed record; too often they have become a forum for a European 'advisor'; some meet with local opposition, and default in the payment of taxes is fairly widespread. They have failed to win loyalties, effectively mobilise resources and serve the needs of the villagers. The National Coalition government formed after the 1972 elections has assumed ministerial responsibility for more and more areas of national government but it still has to provide an imaginative focus for creating a sense of national consciousness. The debate over the form of government best suited to this emerging nation still has to be settled.

Mission. The missions with the claims to the most members today are the Roman Catholic and Lutheran. Both were established in New Guinea before the German annexation and Catholic orders penetrated Papua early in their quest for converts there. In Papua, once government was established, Methodist, Anglican and London Missionary Society missionaries agreed to confine their activities to defined areas. There was no such agreement elsewhere and especially since the war the pattern has become confused with proselytisers from many and various sects working in the field. Nevertheless, most communities show allegiance to one church only.

Frequently missionaries have been among the first Europeans into an area; often theirs has been the most pervasive influence. They, like government, adopted a civilising role and for the church this has been regarded as an integral part of mission activities. Civilising meant a condemnation of customs, like infanticide and payback killings, considered repugnant to humanity. Policy varied with the different churches but other customs considered contrary to Christian teaching such as initiation rites and polygamy were rejected by the missions though tolerated by government.

As a vital part of their work the missions set up schools, often teaching through a vernacular. Government spent little money on education and for decades the mission school was the only agency instructing Papua New Guineans in the new skills of literacy. Their impact has been considerable though less than half the children of primary school age attend school now and few go on to a secondary or tertiary education. Government spent more money on health services but as with education the mission role in this field has been more important in many areas. Some missions obtained plantations, others have developed tradestores, transport services, vocational centres, printing presses, bakeries, craft workshops and sundry other interests.

Trade and settlement. The third influence, that of traders and settlers, has also been important from earliest times. The regulation of the trade in labour was a major concern of both the German and British governments. As noted, the fostering of a plantation economy and trade was a primary consideration in German New Guinea. Inevitably plantations meant the alienation of land to settlers, not on a large scale it is true, but almost all in areas of naturally fertile land, areas supporting a large New Guinea population. Around Kavieng, Rabaul and Madang the alienations at once took up considerable acreages of land suitable for agriculture and introduced the New Guineans to a new form of crop growing for cash which greatly increased their own pressures on land. The impact has been serious, and especially near Rabaul and Madang, land has become a focus for much discontent and unrest. Australia tried to encourage settlers to Papua also but largely due to the unattractiveness of the area for planters there was little development beyond a scatter of rubber and copra plantations. Even after the war the drive for settlers continued. In the 1950s land in the Goroka and Wahgi Valleys was alienated and a plantation economy based on coffee and later tea, was established. This development was stopped in the late 1950s. However, in parts of the highlands throughout the following decades there have been isolated sales of large tracts of land to the Administration for leasing to Europeans for particular development projects.

Aside from plantations, trade has concentrated in the towns. Three big multi-interest companies have a monopoly in most fields but European and Chinese businessmen predominate at the medium level of retail trading, service industries, importing-exporting and distributing, and in the few manufacturing concerns. Trade goods have had a marked effect on the lives of Papua New Guineans. Steel tools and pacification altered

work patterns especially for men and did much to change the quality of life in the villages. Over time a whole range of goods from blankets and umbrellas to canned fish and transistor radios became desirable if still beyond the reach of many. By the end of the 1930s most New Guineans were still subsistence farmers. Some had experienced a very limited involvement in the cash economy, most commonly as migrant contract workers to plantations. In 1939-40 there were just over 40,000 indentured labourers in New Guinea and 10,000 in Papua. Overall development had been limited; the major export for that year was gold, followed by copra and rubber. Since then, with a rapid increase in cash cropping, there has been more involvement but the numbers are relatively few and production mainly small scale.

In sum it can be stated that the process of change following initial contact has been spread over a long period of time. This difference of timing has affected the mix of the main influences in one part of the country as compared with another. The total picture is fragmented and complex, as discontinuous as the country's surface communications network. The one common theme has been the colonial ethos. There has been reaction: in some villages this has taken the form of cargo cults; in others a few political activists with platforms that ring of a new 'nationalist' spirit have attracted followers on a regional basis; in the towns a strident note is sounded by young Papua New Guinean writers.

The theories of economic development

Development of the resources of Papua New Guinea, development of Papua New Guineans: the notes have been sounded many times over. In terms of practical policy this simply meant a laissez-faire stance until the 1960s. Before tracing the policies for development, however, some attention is given to the theoretical models that have been formulated with reference to experience in other developing countries.

These theories are based on the assumption that third world economies may be characterised as dual or plural economies and, a concomitant, that development for the people of these countries means increasing involvement in a monetary economy. The diffusion of the technology and goals of modernisation and the breaking with a traditional past are seen as key factors. The theories which attempt to account for this progression may be categorised under three headings.

The first has been described as the index method and comprises a series of polar or ideal types (Frank 1969). According to this approach, if the typical features of underdevelopment are subtracted from those of development, the remainder constitutes the necessary components for a development programme. This theory takes two forms: pattern variables and historical stages as exemplified by Hoselitz (1960) and Rostow (Frank 1969) respectively. Hoselitz (1969) adopted three of Parson's (1937) five pattern variables for the analysis of action relevant to economic growth, namely, achievement versus ascription, individualism versus particularism, and specificity versus diffuseness. 'Empirically we may classify underdeveloped economies according to how far they have moved along this line of differentiation' towards a system showing 'a greater emphasis on values as universalism, functional specificity and rationality' (Smelser 1967: 34). In Rostow's view, 'It is possible to identify all societies, in their economic dimensions, as lying within five categories; the traditional society, the preconditions for take off, the take off, the drive to maturity and the age of high mass consumption'. (Frank 1969: 39)

Diffusionist models comprise the second major category. What is to be diffused may be classified under headings such as capital, technology and institutions, and development programmes in terms of this schema involve the identification and supply of the missing elements.

The third theoretical type is the psychological approach. The most influential protagonist of this view is McClelland whose studies suggest that a particular human motive called the need for achievement, or n Ach, promotes entrepreneurship which may in turn be a key factor in economic growth. Early findings (McClelland 1961) showed that n Ach was a relatively stable personality characteristic rooted in experiences in childhood but later the emphasis shifted and programmes were implemented to develop such orientations in adults. McClelland and his associates have claimed that n Ach accounts for the different responses made by individuals to similar conditions and that high n Ach is associated with more vigorous effort and greater success in economic activity. In these terms, 'a successful aid programme involves motivation training, information, organization, and an improved opportunity structure' (McClelland and Winter 1969: 275).

The policies of development

A consideration of economic policy in Papua New Guinea can be conveniently discussed under four headings: firstly the

administrative framework for policy-making, secondly that for policy implementation, thirdly the nature of the policy devised and fourthly as practised. In the following outline emphasis is placed on economic policy as it relates to business development in general and to the role of Papua New Guinean businessmen in particular.

Administrative framework. In the past the allocation of responsibility for policy-making appears often to have been diffuse. Prior to 1964 decisions affecting economic policy were made by ministers and permanent officials in Canberra through the Administrator and his department in Papua New Guinea.¹ In 1963 the World Bank Mission recommended the appointment of an economic advisor to be assisted by a small professional staff, and a planning unit was established in Papua New Guinea in 1965. His office was subject to directives from Canberra and the Administrator and worked in liaison with the various departments concerned with economic development. Officers of the unit had no executive authority.

In 1971, in a statement to the Australian House of Representatives, the Minister for External Territories announced acceptance in principle of the recommendations made by the Select Committee on Constitutional Development for an approximate timetable for self-government. This clearly had implications for economic development planning and in May 1971 the Administrator's Executive Council (AEC) became more directly involved in the planning process. The office of the economic advisor became an office of programming and co-ordination. The director of the office was required to report to the finance and legislation committee of the AEC and also chaired a committee of senior officials servicing the AEC (Cooper 1972: 9-14).

In December 1972 the Office of Programming and Co-ordination was abolished.² It is intended that some research staff will be placed in various departments concerned with development. Other officers, more immediately concerned with national planning, will staff a small unit within Treasury which will take directions from and be responsible to the Office of the Chief Minister. In addition, an economic planning committee has been established to draw up an interim one-year plan.³

¹ Changes in governmental structure are outlined in Mattes (1972: 4-29).

² Post Courier, 18 December 1972, p.1.

³ Post Courier, 18 December 1972, pp.1,3.

Statutory authorities involved in economic development such as the DB and the Investment Corporation are expected to formulate policies in conformity with broader national guidelines. Direct interference beyond that has thus far been slight.

Finally, from time to time, special agencies like the UNDP mission in 1972, also become involved in the planning process and their reports may influence the policy adopted.

The administrative framework for implementing policy are provided by the DBD and the DB. The DBD commenced operations in January 1971, its permanent head, the secretary, being the first Papua New Guinean appointed to such a position.¹ Previously, in 1962, a business advisory service to deal with indigenous businesses had been established within the Department of Trade and Industry. The following year a project officer for small-scale industries was appointed to the division of industrial development in Trade and Industry, again with special reference to indigenous enterprise. In 1965, a technical officer was seconded to set up, as a cottage industry, a wool-weaving project in the Highlands. The first field staff were recruited to what became a small industries group in 1967. When the new department was created it took over from Trade and Industry and subsequently expanded, the division of business training and management, the division of co-operative extension and the small industries staff of the division of industrial development (see Fig.1). Since 1971 there have thus been two departments, one concerned with large-scale trade promotion and expatriate-controlled industrial and commercial development, the other with Papua New Guinean business development and the co-operative movement.

With regard to local business development, the DBD

...is responsible for reviewing policies and developing proposals for the promotion of indigenous industrial and commercial enterprise; for the provision of business facilities and advisory services and for identifying and training suitable Papuans and New Guineans for business.

(Development Programme Reviewed 1971: 96)

¹ I am indebted to Mr P. Matane for permission to make use of his unpublished paper (Matane 1971). The following account of the history and organisation of the department draws substantially on this paper.

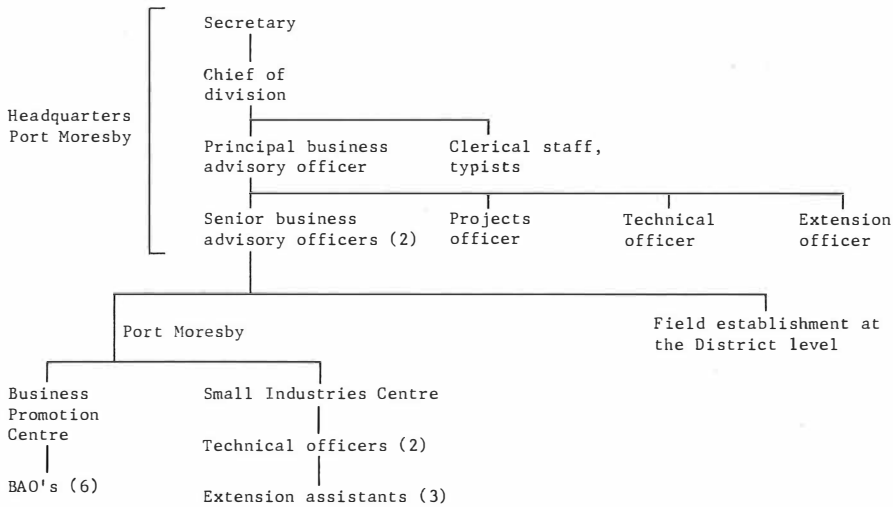


Figure 1: Structure Department of Business Development, April 1971.

The resources of the DBD for both co-operative and business development work are considered by the secretary to be inadequate. In June 1972 staff totalled almost 300 officers working in over sixty places. For that year the budget was \$959,000 supplemented by Commonwealth Treasury payments of certain allowances to expatriate staff (Matane 1972: 3). According to the budget papers presented to the House of Assembly for the 1971-72 financial year the summary of expenditure was as follows:

Salaries and allowances	\$540,000
Administrative expenses	249,000
Other services	24,000
	<u>\$813,000</u>

Under the heading 'administrative expenses', travelling fares and allowances on duty within and beyond Papua New Guinea accounted for \$110,000. 'Other services' comprised cottage industry development, UN technical assistance projects, and plant and machinery (each \$8,000). In the same papers the

DBD is recorded as having 96 overseas officers and 168 local officers with others in both categories on recruitment to a ceiling of 112 overseas officers and 203 local officers and trainees. Estimated expenditure for the period 1972-73 allows for a small increase in expenditure to \$968,000. Staff ceilings for that year are 224 local officers and trainees and 116 overseas officers.

At headquarters all general administrative functions are carried out together with the definition, co-ordination and direction of broader policy guidelines. A small research and statistics section is being established to provide research material on international developments, indigenous performance, market trends and opportunities for indigenous businessmen and prepare and analyse relevant statistics. A training branch is responsible for the training of Business Advisory Officers and Extension Officers with the department as well as co-operative societies directors, members and employees, and local entrepreneurs. Together with specialist staffs provided by the UNDP, the Training Branch staffs the Co-operative College at Laloki and provides field courses for co-operatives and local businessmen. The Branch produces various teaching materials such as booklets and audio-visual aids for use both in the College and the field (PNG Annual Report 1972: 73). At the field level the division of business extension comprises business advisory (BAO) and small-scale industries development officers. They operate at twelve centres from business promotions centres (BPC), small industries centres (SIC) or Business Advisory Offices (Papua New Guinea Report 1972: 75).

The Development Bank, a statutory body, has a different form of organisation. A board of directors comprising twelve members is responsible for determining major policy issues. At head office in Port Moresby personnel are divided into operations, projects, and a secretary's department. The first provides all general banking functions and has an officer concerned with business promotion and public relations. Projects section acts on behalf of clients involved in special projects in which the DB has an interest. This department includes a research section concerned with providing material for policy-making, and the initiation, assessment and co-ordination of new ventures. Projects field staff work directly from head office and in close liaison with research officers. There are four branch offices at Port Moresby, Lae, Rabaul and Mt Hagen and representatives at ten other centres. Staff for the year 1971-72 totalled 190, of whom 131 were Papua New Guineans (DB Annual Report: 11). Bank

staff work in association with officers of the Departments of Agriculture, Stock and Fisheries and Business Development and in some areas officers from these departments may act as the bank's agents.

Policies. The policies worked out within this organisation have changed over time. In the early years of colonial rule in both Papua and New Guinea commercial crops were promoted in rural areas often by compulsory planting regulations. This met with little success as did attempts to attract European settlers to establish large-scale plantations.

Between 1907 and 1914 expatriate plantations expanded somewhat but the response to attempts to promote indigenous agriculture on a commercial crop basis was poor for many years. After World War II the compulsory element in development was removed and policy became oriented more to raising living standards in rural areas (Cheetham 1962-63: 67-78). One aspect of this was the fostering of the co-operative movement, especially in the processing and marketing of cash crops (Matane 1972: 1). For the rest the Liberal-Country Party government in Australia was concerned to promote expatriate private enterprise (Langmore 1972: 9). Consequently Papua New Guineans were only involved in commerce and industry as unskilled or semi-skilled labour until about 1960. Further, this lack of participation reflects the difficulty of reconciling two important and oft-stated aims of policy: promoting the development of the resources of the country, and including Papua New Guineans as participants at all levels in that growth.

The first attempts at government planning began in 1954 when unpublished prospective plans for expenditure in the public sector were drawn up at three-year intervals. In 1961 the period was extended to five years. This plan was superseded by that of the World Bank mission of 1963. Their report included a development programme for the five years, 1964-65 to 1968-69, and was prepared in consultation with the Papua New Guinea Administration and the Australian government. This report was directly succeeded by the 1968 Development Programme.

The programme detailed the current state of the economy and set out expected future trends. Particular emphasis was placed on development in rural, agricultural-based activities. The small degree of indigenous participation in the economy was acknowledged and the desirability of increased involvement stated. Under the heading 'business and commercial structure' the comment was made that

Much of the commerce of the Territory is in the hands of a comparatively few large companies with predominantly Australian ownership. The most important of these conduct both retail and plantation business and operate a number of agencies for overseas companies and one operates the major shipping service to Australia. Small individual enterprises, whether expatriate or indigenous owned are as yet little developed except in certain fields of which trade stores and transport services are, perhaps, the most significant.

The degree of indigenous participation in commerce has been comparatively slight with the outstanding exception of the co-operative movement. Outside the co-operative movement, the range of indigenous commercial enterprise extends from the operation of small trade stores and minor industrial ventures to the operation of a few comparatively large businesses in the trucking and allied fields. In some cases, the operators are sole businessmen, in others a village or local government council may be involved. (Programmes and Policies 1968: 8-11)

One of the stated aims of the plan was to redress the imbalance and secure a more equitable distribution of wealth by developing all sectors of the economy. However, the plan was merely a set of targets, it contained no strategies designed for their realisation and, apart from sections devoted to the co-operative movement, no attempt was made to set guidelines for local ownership or management of enterprises. The only statement relevant in this regard was the brief one (1968: 119) that

Papuans and New Guineans will be assisted by the Department of Trade and Industry, the Development Bank and other agencies to start their own businesses. This will apply especially to the establishment of cottage industries, stores, engineering and transport businesses, and to service industries such as plumbing and contracting.

It was a development programme on the Australian model with the practical effect of promoting larger-scale expatriate enterprises, a means of increasing the gross national product but not necessarily of furthering the welfare of the majority of the people. The failure to accommodate the two stated aims of the plan and the apparent emphasis on one, met with much

criticism. Crocombe (1969: 69 ff) claimed that the two aims conflicted. Moreover,

'participation' is the key word in this plan, but when its nature is analysed in terms of the provisions made, it is found to mean participation mainly as labourers for expatriate industry, participation as savers for expatriate entrepreneurs to invest, participation as peasant producers for expatriate commerce to buy produce from and supply goods to. The plan's protective coating is supplied by tokenism - indigenous representation (but only nominal) on the statutory authorities; some loans (though proportionately minute) to indigenous businessmen; some training (but little enough to result in long term dependence on expatriates) in high skilled occupations.

Crocombe's attack was supported by Kaputin (1969: 35-42) but countered by Arndt, Shand and Fisk. Arndt (1969) and Shand (1969: 54-71) claimed that the major policy objectives of general economic growth and increased local participation were not conflicting especially in the rural sector where the greatest effort was to be made. Fisk (1969: 67) joined Arndt in considering the original criticisms distorted and full of misrepresentations and while advocating the clearer definition of priorities in planning, stressed the achievements. Crocombe replied to his critics and was joined in his defence by T.S. Epstein (1969) and Reay (1969: 49-68). This academic controversy highlighted the dilemmas facing the planners but had little impact on their resolution.

The revised version of the plan reiterated that 'maximum participation by Papuans and New Guineans in the development of their country has been one of the main objectives of the programme from its inception' (Development Programme Reviewed 1971: 96) and devoted a chapter to considering their role in the economy. The intention was to effect a movement of Papua New Guineans from the non-monetary to the monetary sector 'either as cash croppers, employees or eventually entrepreneurs'. Again there were goals but no guidelines to secure their attainment. Apparently no sense of urgency attached to achieving the stated objective and the validity of the objective itself went unquestioned.

An alternative strategy was contained in a UNDP mission report submitted to Canberra in August 1972 and intended to provide guidelines for the next five-year plan. This report proposed

...a redirection of expenditure from the towns to the rural areas, the encouragement of small-scale artisan and service activities, more no-covenant housing sites, low-cost housing using local materials and policies to boost the spread of employment rather than high wages for a minority elite.

An aim of the next development plan should be the emergence of an urban single 'bazaar economy' of a type that flourishes elsewhere in the third world.

A radical revision of prevailing attitudes is essential. Prohibitive regulations aimed at limiting competition in urban transport and commerce should give way to a more laissez-faire approach with indigenous operators given the opportunity to make their own mistakes.

Urban planning once it is rid of a natural distaste for haphazard economic life, should anticipate a horde of street vendors or at least a large number of small stall and shop owners rather than a few highly capitalised supermarkets.¹

This report has simply been 'received' by the government in Papua New Guinea; it has not been officially released, nor has there been any firm indication whether the recommendations will be incorporated in future planning. Nevertheless, a government policy statement in February 1973 showed some reorientation along these lines.²

In terms of the theories of development outlined above it is clear that the policy-makers and researchers in Papua New Guinea have drawn on all models. T.S. Epstein (1968) in an analysis of the relationship between the traditional Tolai social system and responses to new economic activities, posits the occurrence of a series of phases which may, in her view, provide 'a schema of growth for other small-scale societies'. Drawing on the Tolai experience it is held that immediately following first contact people prefer to remain in customary settlements, establishing links with the wider cash economy through the sale of surplus agricultural produce. This period is termed 'the transition period' and merges into the 'agricultural investment period' when there is a rapid expansion of cash crops. Subsequently, and characteristic of 'the investment trial period', some producers begin to invest

¹ Sydney Morning Herald, 26 August 1972, p.7.

² Post Courier, 28 February 1973, p.1.

in productive assets outside agriculture, generally in agricultural processing or service industries. As this kind of investment becomes successful there should develop a 'tertiary investment period'. Epstein (1968: 165) correlates these phases in economic growth with patterns of social change.¹

The framers of the five-year plan, with their emphasis on change from a traditional subsistence economy to a transition economy to a modern money economy through the provision of specific inputs, draw on both the polar ideal type and diffusionist models. The missing inputs necessary to effect this progression may be examined under the headings of lack of capital and land and the non-availability of people with the required levels of education, technical skills and managerial competence. In addition it is sometimes held that the initial impetus requires the granting of preferences to local businessmen and this has been the subject of considerable political pressure. The need for preferences may be linked with the commonly held view that 'Papuan and New Guineans face formidable difficulties in undertaking business activities. The traditional culture of the people does not lend itself readily to the development of indigenous entrepreneurship...' (Development Programme Reviewed 1971: 95). The UNDP report of Nadkarni (1970b), one of the trainers involved in the orientation of entrepreneurs in the n Ach programme set up by McClelland and Winter, reflects that view.

Research findings tend to be concerned more with a description of the processes of change in particular localities and less with more general predictive models. The plans devised so far have set goals; the strategies to be adopted in order to realise those have largely been ignored. As a result, policies relating to specific questions have been worked out on an ad hoc basis. These issues may be considered under the headings finance, land, training and preferences.

Finance. A major problem for Papua New Guinean entrepreneurs is lack of capital. To meet this problem the World Bank report of 1964 recommended that a special development organisation be set up. The recommendation was accepted and the Papua New Guinea Development Bank Ordinance was passed by the House of Assembly in 1965. Two years later the bank opened for business. Capital has been

¹ Cf Firth (1959).

provided by grants from the Papua New Guinea budget and by credits from the International Development Association for cattle, oil palm and coconut development. Prior to this, virtually the only sources of funds available to indigenes were the Native Loans Board and the Ex-Servicemen's Credit Board, both of which generally made small loans for rural cash cropping projects. Finance companies have had little to do with Papua New Guineans except through hire purchase agreements on vehicles while the commercial banks have had minimal credit dealings with Papua New Guinean customers (To Robert nd). The setting up of the DB was intended to change this situation and the Ordinance provided that the Board should 'ensure that the policy of the Bank is directed to the greatest advantage of the people of the Territory and has due regard to the stability and balanced development of the Territory economy, and the advancement of the indigenous population.'

Land. The award of land leases for commercial and industrial purposes to the applicant best able in terms of planning, finance and expertise to develop the site has meant the allocation of land to Europeans and Chinese and the exclusion of Papua New Guineans from urban business areas. This has been criticised for some years from within the administration.¹ A minute to various departments from the Department of Lands Surveys and Mines set out official policy at the time:

1. All lands in Towns are Advertised and open for application from all parties. The Land Board recommends selection and its recommendations are examined by the Administrator's Executive Council. Although not subject to direction it would be the policy of the Land Board to give preference to Papuan and New Guinean applicants, provided all other things were equal and provided that the Board was satisfied that the applicant could successfully conduct the particular industrial or commercial venture nominated.²

'All other things' were seldom equal and further pressures forced a modification of this conservative approach. On 16 February 1971 the official spokesman for the AEC announced

¹ DBD file 9-3-17.

² DBD file 1-1-14, 15 October 1970.

that it was hoped to reserve some commercial blocks for Papua New Guineans and that a committee would be set up to advise the assistant ministerial member for the department as to which blocks of land should be reserved.¹ The next month a small committee at the Central District level² was set up to look into all commercial sites for the purpose of reserving some in the Port Moresby area for local developers. This body was required to report to the AEC. Later in the year a policy submission to the AEC by the Assistant Ministerial Member for Lands, Mines and Surveys included the principle that

1. In all cases the advertisement of lands in the Gazette will contain the following advices -

(a) a stipulation that, provided all other factors are equal, preference may be given to indigenous proposals or proposals which contain a significant proportion of indigenous equity.

In addition, provision might be made for indigenous equity to be achieved within a certain time or for management and technical training schemes to be established. Specifications were set out giving the kind of participation that might be considered most suitable for the different kinds of lease. Thus in specialised or in major urban commercial ventures such as hotels, supermarkets and garages the emphasis would be on equity participation and training programmes while in small industries the emphasis might be on wholly indigenous development. This submission was accepted by the AEC and a circular outlining the guidelines to be followed was sent to all authorities concerned.³ In spite of the obvious loopholes and the absence of any mechanism for enforcement, this directive did reflect a change in policy.

Training. The need for training inputs in developing Papua New Guinean businessmen has long been recognised in the DBD and is seen as a means of overcoming the 'problem' of a 'traditional' background, though policy statements have concentrated on the requisite skills in 'basic economics', 'financial management' and 'bookkeeping' (Jackman 1967: 2 ff).

¹ AEC press release no.255, 16 February 1971.

² Comprising one member each from Lands, DBD and the Department of District Administration, DBD file 1-3-9, 25 March 1971.

³ DBD file 1-1-10, f.33-39.

A somewhat different approach was advocated by Nadkarni (1970b: 4). Noting the absence of 'appropriate developmental attitudes', he proposed a training programme to give aspiring businessmen 'the necessary psychological orientations to be entrepreneurs'. Nadkarni claimed that the training programmes of the department were not only ineffective but were merely concerned to teach the clerical skills required of employees rather than the special talents of the entrepreneur. He recommended (1970b: 6,10) the establishment of a business training institute to train entrepreneurs, extension workers and business instructors, and to design psychological education and business education courses. It was envisaged that by this means it should be possible to plan in the course of ten years for 1,000 'aggressive businessmen' each capable of handling investments of more than \$10,000 (Nadkarni 1970b: 7).

Preferences. The question of whether Papua New Guinean businessmen should be accorded preference over expatriate competitors has met with a mixed response. Advocates of preference have generally related the issue to a commonly held assumption that a Papua New Guinean enters business burdened by the weight of 'tradition'. Within the DBD this belief is widespread. One study group of officers concluded that

...very definite problems existed in the Territory making indigenous business difficult to operate efficiently in the commercial sense of the term.... The present social obligations would have to be placed more and more in the background if the indigenous business enterprise was to survive and be a success in the modern world of trade.¹

Again, 'the traditional way of life of indigenous people in particular their reciprocal obligations...have a retarding effect on business development' (Jackman 1970: 16). Training is seen as one way of overcoming the problem, the granting of preferences as another. In 1969 a DBD officer wrote:

It is incredible that the Administration is still not putting into practice its policy of encouraging indigenous businessmen. [Where the Stores and Tenders Board is concerned] there should be an

¹ Department of Trade and Industry BTM file 8-1-1, 'Report of local study group on small scale private enterprise', 2 January 1963.

unequivocal preference in giving work to companies such as this one....They should be advised what the Administration's requirements will be during the next twelve months, at the very least, in the kind of goods produced by them. Discussions with them should be held to work out what can be supplied by them.¹

A more recent statement was more equivocal:

The whole matter of preference for indigenous businessmen can only be rationalised in the context of developing equitable sharing and participation. The practice of giving preferences must be acceptable to the community at large at each particular point in time. At present the majority community would support preference to any one and only indigenous enterprise struggling to compete with non-indigenes. However, given half a dozen similar indigenous enterprises, then the community could not be expected to support preferences.

...Preferences are being given in practice and the practice will have to be extended if indigenous entry into business is to be accelerated. However, these policies should always be considered as temporary expediciencies which should not be desirable in the short to medium term future.²

Policy as practised

The practice of policy may of course be somewhat different from that planned and in particular cases the subtle interplay of circumstance and the personalities of those responsible for implementation may obscure the basic issues. Practice can be assessed under the headings used above.

Finance. The early policy of the DB was criticised because of the support given to expatriate-owned enterprises. The validity of these charges may be assessed from Table 1.1. Certainly the initial pattern of lending was one of small amounts to large numbers of Papua New Guinean borrowers and large loans to relatively few expatriate borrowers.

¹ DBD file 45-4-2, f.54.

² DBD file 45-4-8, f.21.

Table 1.1

Total loan approvals, Development Bank, 1967-68 to 1971-72

Classification	1967-68		1968-69		1969-70		1970-71		1971-72	
	No.	Amount (\$'000)	No.	Amount (\$'000)	No.	Amount (\$'000)	No.	Amount (\$'000)	No.	Amount (\$'000)
Indigenous -										
General	125	123	289	358	823	1,014	1,684	1,907	1,866	3,253
Land settlement scheme	297	555	248	464	361	675	254	475	400	749
Total indigenous	422	678	537	822	1,184	1,689	1,938	2,382	2,266	4,002
Non-indigenous	66	1,207	164	3,902	220	2,878	103	1,764	181	3,664
Joint enterprise	10	366	13	392	18	346	7	97	11	481
Total loans approved	498	2,251	714	5,116	1,422	4,913	2,048	4,243	2,458	8,147
Investments	2	1,500	4	122	4	1,336	3	138	2	28
Total finance approved	500	3,751	718	5,238	1,426	6,249	2,051	4,381	2,460	8,175

DB Annual Report (1971-72: 4).

More recently the pattern has changed. In 1971-72 the average size of loans to indigenes for Industrial purposes increased by 31 per cent to \$1,200, for Commercial purposes by 103 per cent to \$3,054, while average loans for rural enterprises rose by 22 per cent to \$1,427.¹ The DB argued that 'At the beginning, there was little understanding of the use of credit to accelerate development and the effective demand for loans from indigenes was very low.'² Furthermore,

while the Bank's first and prime responsibility is to assist in the economic development of the indigenous people it recognises also the important role of expatriate firms in initiating many enterprises, especially in the commercial and industrial fields, vital to developing the Papua New Guinea economy. The Bank is therefore prepared, within the limits of available funds, to assist with the development of expatriate projects which create investment, employment and training opportunities for the indigenous people.³

So far at least the bank has been able to meet adequately the demands of expatriate and indigenous borrowers. And it has fostered the latter by increasing the number of District representatives, an active extension programme and the establishment of a projects department.

Land. The effect of the policy to allocate land so as to facilitate maximum participation by Papua New Guineans has not been dramatic. Table 1.2 shows the allocation of leases throughout the country up to August 1972. The figures do not include certain categories of special purpose lease such as for the building of hangars, where Papua New Guinean involvement would be unlikely.

From the figures in Table 1.2 it is clear that most development in agriculture undertaken by Papua New Guineans involves the use of land held under customary tenure. The award of industrial leases indicates a continuation of the existing pattern of minimal local participation at the level of management and control. More leases for general business purposes were awarded to Papua New Guineans, mainly for the establishment of tradestores and, to a lesser extent, service

¹ DB Annual Report (1971-72: 3).

² DB Annual Report (1971-72: 4); To Robert (1967: 7).

³ DB Annual Report (1971-72: 3).

Table 1.2

Allocation of Administration leases November 1970 to August 1972

Leases advertised	Open tender	New Papua Guineans only	Minimum requirements stipulated	Leases allocated to Papua New Guineans	Open tender	New Papua Guineans only	Minimum requirements stipulated
Business	102	64	15	Business	26½	34	-
Rural	27	11	-	Rural	2½*	8	14
Industrial	140	8	-	Industrial	2	-	-

* Eighty-five industrial leases were allocated to expatriates.

Source: Lands Board, Port Moresby, 27 April 1973.

stations. In no category were all the blocks set aside for Papua New Guineans awarded. Little use was made of the proviso in the policy directive that equity participation by Papua New Guineans or the implementation of training programmes might be stipulated as conditions for the granting of the lease.

In the Port Moresby area an increasing number of Papua New Guinean applicants have appeared before the Board since November 1970. In the case of leases for suburban trade-stores their submissions have frequently been successful. A number of applicants have made claims to more funds than those actually at their disposal. It is argued that such tactics are necessary to satisfy the Board. Unable then to approach the DB with an acceptable deposit, they have sought and obtained financial backing from Chinese traders who thereby secure a right to the lease of the premises. There is no referral of cases by the Land Board to other departments and there are few checks to ensure compliance with the terms of a lease. One grant of special interest was the award of a site for a picture theatre to an indigenous applicant on appeal. Previously the lease had been granted to an expatriate promoter on the grounds that his was the best economic proposition with large capital expenditure and provision for a two theatre-restaurant complex. The DBD supported the appeal of the indigenous businesswoman and in view of her experience and official backing, the original decision was quashed. The site has not, however, been developed since the original submission was based on the applicant's securing local share capital; informally this has not been forthcoming and formally it has not been sought partly because the DBD officer concerned was transferred.

The terms of these leases and in particular the improvements specified ensure a sophisticated form of business development. Early in 1973 a somewhat different approach was introduced by the Housing Commission.¹ The low- and no-covenant housing

¹ This Commission is a statutory body with responsibilities in the area of housing. It is currently building high- and low-covenant houses and is developing areas for no-covenant housing. High-covenant housing is of a type acceptable to expatriates, of modern design and materials with all conveniences and fully serviced. Low-covenant housing is of the lowest possible cost using modern material to an acceptable design standard. In no-covenant areas blockholders may use any building materials at their disposal providing they effect reasonable improvements

(continued next page)

suburb of Sabama was planned to include low-covenant shops, and small village tradestore type premises attached to residences. As with the houses these business premises are basically scaled down versions of more expensive shopping centre amenities. The Sabama shops were advertised for rental and the large number of applicants attested to the popularity of the idea. DBD staff expressed reservations about the design, the rentals and the estimated turnover required to ensure a reasonable return. It is too early to assess either their claims or the counterclaims of the Housing Commission staff.

Training. Nadkarni's scheme for the training of businessmen was not accepted and no thought has been given to any alternatives. Within the DBD, training to date has been on an informal and ad hoc basis. The department has published a series of booklets including Starting a Trade Store, How to Manage Your Store and Trade Store Accounting. There is a similar set on trucks and a booklet called Investing: How to Make a Profit with Your Spare Money. The head of the department considers this an important aspect of the DBD's educational role and further publications in simple English, Pidgin and Motu are planned. Individual business advisory officers (BAO's), largely on their own initiative, have conducted courses in their offices for truck operators or for tradestore owners, generally emphasising simple accounting procedures. More recently, with DBD and DB staff becoming involved in particular enterprises, informal training has been provided in the form of advisory services at an individual's business premises. This may involve assistance with making up wages, ordering and quoting, personnel management and so on. The DB charges a fee for its management services.

Preferences. In regard to preferences no policy has been consistently followed. A specific case illustrates nicely the ambiguity surrounding the question. In 1969 a small furniture manufacturer directly requested assistance from the Department of Trade and Industry which replied that the Department is looking into ways and means for the Administration to take

1(continued)

over a defined time period. The Commission provides roading and water points. Other agencies provide some used building materials but basically these are self-help programmes and an acknowledgement that low-cost housing is still well beyond the means of many town dwellers.

special measures to give assured work to local entrepreneurs.¹ However, continuing inaction led the manufacturer to make separate representations to the Treasurer who wrote in a letter to the Director of Trade and Industry that

while we have no specific policy as yet of preference to indigenous small businesses, the provision of assistance to such firms to get Administration work (for example, by offering the work in sufficiently limited orders to meet their capabilities and by negotiation over designs or the provision of materials to be made up), would seem to be consistent with our general aim of encouraging indigenous participation in the economy.²

At about the same time Trade and Industry advocated the compilation of lists of items capable of being manufactured by local businesses. Administration requirements both in terms of conditions of supply and price, should then be the subject for direct negotiation. Again no action was taken. In February 1970 the manufacturer was reminded by the Supply and Tenders Board that

...this Board is bound by Administration Purchasing Procedure to invite public tenders and it is the responsibility of your firm to seek out and quote against any such tenders....Board members feel that to date your firm has been given as much assistance as was possible and the onus is now upon yourself to go out and seek business other than Administration.... It is this competition upon which your firm should thrive, knowing that in order to obtain more work you must be able to compete in both price and quality.³

He decided thereupon to take his cause personally to Canberra. This action prompted a letter from the Secretary of the Department of External Territories to the Administrator:

It is understood that you are considering introducing special measures in tendering and ordering procedures to provide for 'preference' being given to people like Mr....We consider action along these lines is

¹ DBD file 45-4-2, f.58.

² DBD file 45-4-2, f.86.

³ Business Promotions Centre (hereafter BPC) file 4-1-17/2, 25 February 1970.

necessary to ensure that indigenous enterprises are given all feasible assistance.

The Minister [for External Territories] was informed of Mr....'s visit and told that the Department considered some action along the above lines should be taken....We would therefore be glad to learn what steps are under consideration or being taken to alter tendering and ordering procedures to provide assistance to indigenous enterprises.¹

The reply affirmed that consideration was being given to the matter; 'you will be kept informed of developments.' There is nothing further on this matter on file. Never clearly formulated, the policy remained on file, so many folios not translated into directives for staff. Some time later the secretary of the Supply and Tenders Board told me that the Board was obliged by its rules to advertise all tenders on an open basis. The lowest tender which also satisfies the Board that the requirements of the contract can be met is ² accepted and no concessions are made to local contractors.

In February 1971 a motion to give priority to Papua New Guineans in business was debated in the House of Assembly. One of the responses to this debate was the AEC announcement that a new ordinance, the Business Licences Bill 1971, would be introduced. The Bill included provision for preference to be accorded Papua New Guineans in the issue of tradestore and similar licences to conduct other small businesses. At the same time it was promised that 'existing enterprises will not be affected' and further emphasised that 'there was a great and continuing need for new overseas investment from Australia and elsewhere, and for the further development of enterprises already based in Papua New Guinea.'³

Finally, in June 1972 the AEC decided to amend Treasury regulations to allow selective tendering with tenders for government contracts of up to \$50,000 to be limited to Papua New Guinean businessmen. It is not intended that the protection afforded by such a scheme should be long term; 'once a contractor had established a viable business, he would no longer need the protection of the selective tendering system. He would then be excluded from the scheme.'⁴ The

¹ DBD file 45-4-2, f.109.

² Personal communication, 19 February 1971.

³ AEC Press Release no.255, 16 February 1971.

⁴ Post Courier, 2 June 1972, p.1.

practical details of the scheme have not been made available and its scope of operation is still far from clear.

A similar pattern of pressure and counter-pressure is evident in the award of a maintenance contract to Papua New Guinean builders. Late in 1970 the AEC refused to accept the contractor recommended by the Public Works Department (PWD) for its maintenance contract and referred the tender back to that department and the DBD to consider local contractors for the work. The PWD officer involved replied that it was felt that a maintenance contract was not appropriate for new contractors and that new building work offered better prospects.¹ This reply was unacceptable and it was decided to allocate 20 per cent or approximately \$40,000 work to two local builders. A request was then made for the issue by the chairman of the Supply and Tenders Board of a certificate of expediency.² This was refused on technical grounds. The case involved letters to the Administrator and the Crown Law Office before it was decided that there could be no objection. The contract was awarded in March 1971. Since then there have been restricted tenders called for various government construction jobs by the Electricity Commission, the Housing Commission and the DB. The volume of work has not been sufficient to keep the contractors working from the Business Promotion Centre in full production.

Policies and practice:
the economy today

In 1972 the Papua New Guinea economy was less a reflection of definite programmes and policies and more the outcome of the laissez-faire colonialism which preceded the first five-year plan. The largest sector was still the subsistence one and large areas of the country and considerable numbers of people had little contact with the modern monetary economy. In recent years, however, the monetary economy has been characterised by a high growth rate.³ This growth has been

¹ PWD TC 433, 17 December 1970.

² Necessary because the amount involved was over the stipulated maximum allowed in contracts dealing with Papua New Guineans.

³ Between 1966 and 1970 the growth rate of the gross monetary sector product (at factor cost) was 15.6 per cent annually (Shand 1971: 54).

from a narrow base, the export of commercial crops, especially coconut products, coffee and cocoa (Shand 1971: 75) though from the mid-1960s there has been a sharp upswing in the value of manufacturing. A few major industries have been set up to process primary products for export, and smaller concerns, often using imported materials, cater for an expanding local market. The latter development has been stimulated particularly by the upgrading of the Highlands Highway since this gave Lae ready access to a large market. Thus

there is a short list of modern-sector manufactures, comprising mainly bread, beer, soft drinks, tobacco, cigarettes, various construction materials and containers, furniture, processed primary products... batteries, oxygen, a variety of engineering products...steel rolling and tyre retreading. Modern manufacturing accounted for 7.1% of net national product...in 1969-70 and employed less than 1% of the workforce. There are small 'cottage-type' manufactures, of which the great bulk by value are traditional or quasi traditional carvings, weaponry, adornments and pottery. There is so far no textile production apart from a little hand-spinning and hand-weaving; no footwear, rubber goods or plastics; no canning or flour milling; hardly any food packaging or processing; very little modern style clothing production; no refining of metals or petroleum; no paper or board. Sugar cane grows widely, but sugar is not so far extracted. Commercial rice growing has been attempted, but village schemes have encountered marketing and other problems. (Clunies-Ross 1971: 473)¹

At the same time there has been a widening gap between imports and exports, the deficit being offset by the Australian grant and private investment. From 1972 an important new factor in the economy is the export of ore from the copper mining complex at Panguna.

For the most part Papua New Guineans have participated in the monetary sector as cash croppers or as unskilled workers, perhaps as casual migrants or contract labour on plantations, or as wage earners in the limited range of industries in towns.

¹ A footwear manufacturing company has since been established, see p.167. For a breakdown of manufacturers and their products in Port Moresby see Department of Trade and Industry (1971) and (1972).

Until very recently when companies like W.R. Carpenter Ltd and Bougainville Mining Pty Ltd established comprehensive training schemes, most jobs requiring even a medium amount of skill were held by Europeans. This position is changing slowly. In 1970 less than 1,700 Papua New Guineans were in form four and just over 3,000 attended vocational schools (Nelson 1972: 176). In 1972 the figures were 2,996 and 3,737 respectively. It is in this middle range that the shortage of skilled manpower resources remains acute.

This then is the background and wider context. The narrower perspective focuses on the town (now city) of Port Moresby and there the themes which stand out in sharpest relief are those of foreign dominance and ethnicity.

Colonial town

Encircling hills, in the dry season gaunt and brown with a scattering of gum trees, in the wet months luxuriantly green, provide a magnificent backdrop to Port Moresby harbour. (See Plate 1) Near the port the commercial centre of the town focuses on a few main streets leading away from the wharves. On the flanking hills, Tuaguba and Paga, in rooms with a view, live wealthy expatriates, senior public servants, company directors and managers. Along the coast road to the west is Konedobu, a medley of buildings, unpleasing lines softened by large shade trees, site of the headquarters for most Administration and Commonwealth departments and the administrative nerve centre of the country. Across the road is the largest traditional village in the urban area, Hanuabada, 'lines' (comprising iduhu or patrilineal clans) of houses on stilts out over the water. Constructed to a basic pattern in unpainted timber and corrugated iron roofing these houses are a government legacy of wartime damage. More recently the village has expanded and now extends inland from the shore (see Plate 2).

From the central area the town has grown rapidly (see Fig.2). A short distance away, along the coast road to the northwest is Koki, the native centre of the town comprising a cluster of tradestores; a market place; a canoe settlement of Hula migrants, many permanent residents at Koki but some plying up and down the coast with passengers and produce (Oram 1967); predominantly indigenous residential areas and labour compounds. There are also a number of older established industrial concerns, education and mission institutions. Further out new housing developments and shopping complexes sprawl over the valleys and straggle up the lower hill slopes.

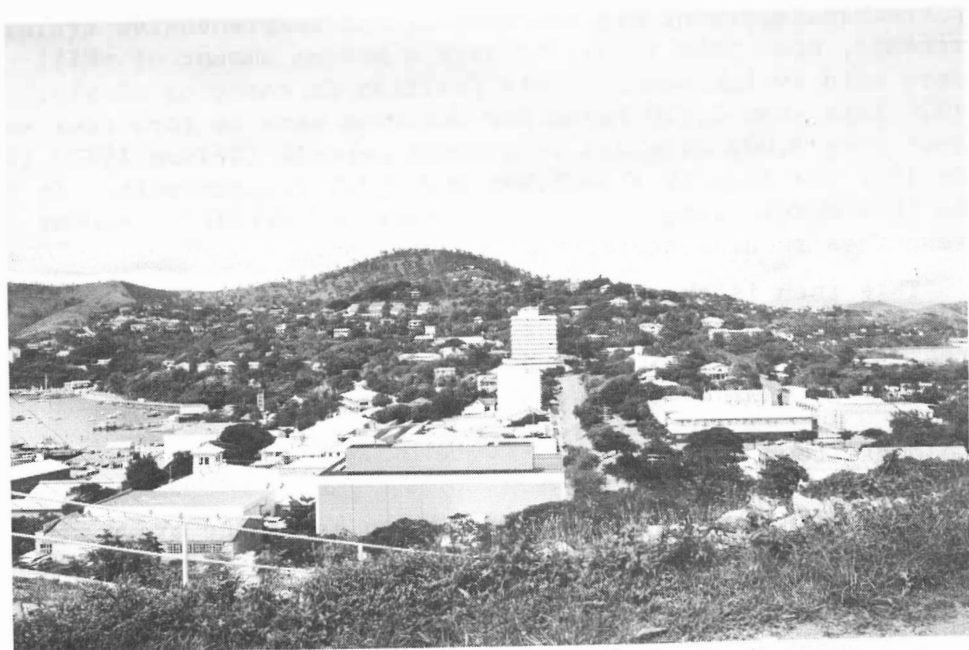


Plate 1. Port Moresby looking towards Paga Hill

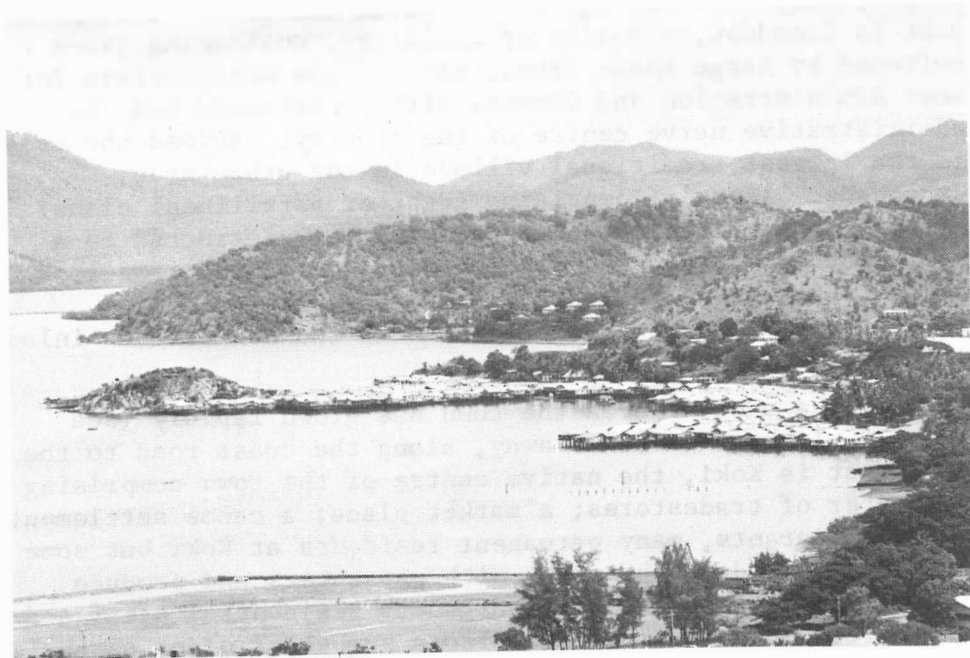
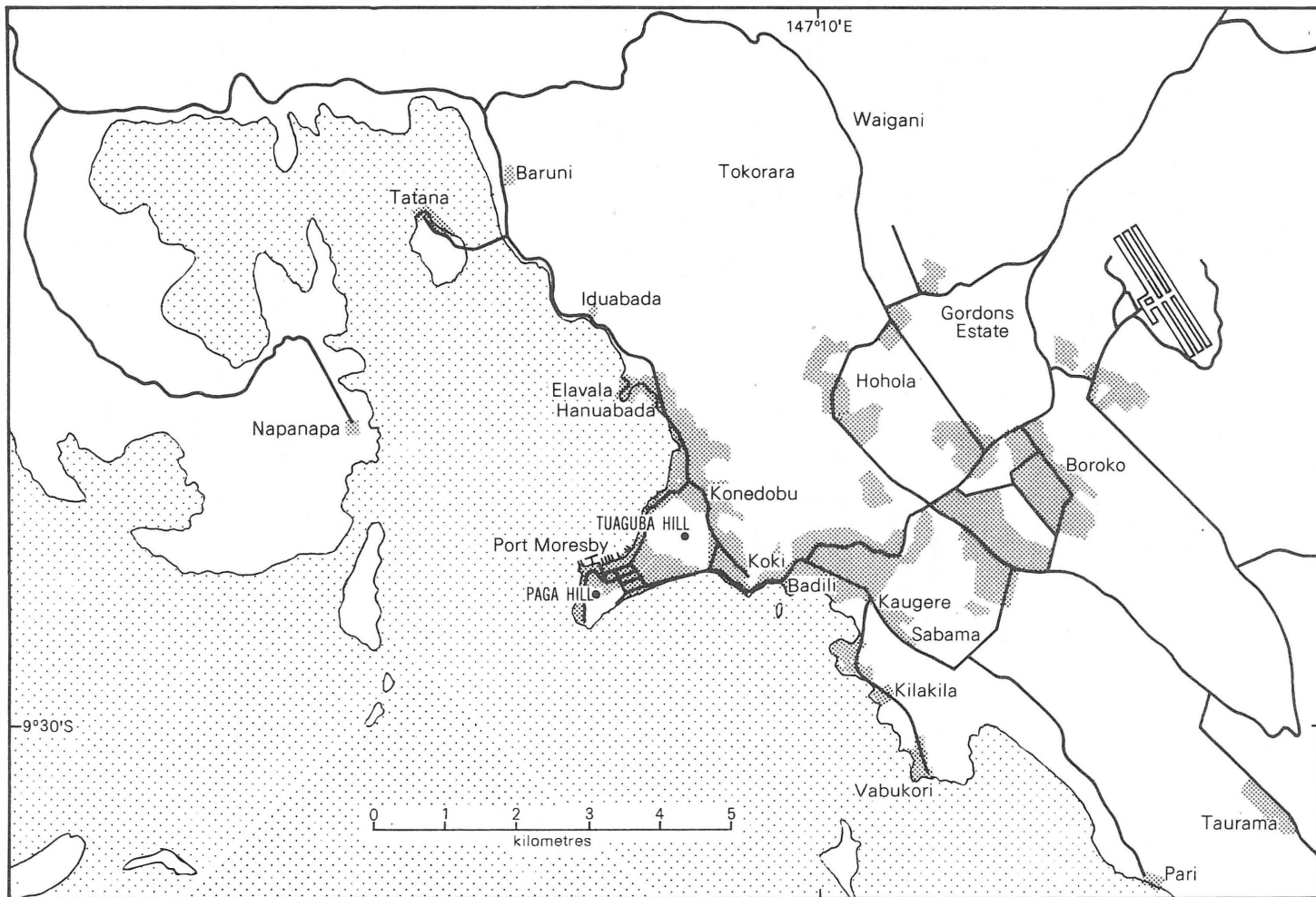


Plate 2. Hanuabada

Figure 2. Port Moresby



Other areas zoned for industrial purposes are the sites for new factories. And everywhere, in scattered pockets, are the migrant settlements, makeshift shanties for the landless newcomers to the town.

From there the road network is not extensive; some fifty miles to the east and forty to the west run coastal all-weather roads. Tracks link inland villages to these roads. For the rest there is savannah of gum trees and grass or mangrove swamps. Inland a road climbs steeply to the Sogeri Plateau, centre for rubber plantations and several educational establishments. Beyond are the rugged Owen Stanley ranges (see Fig.3).

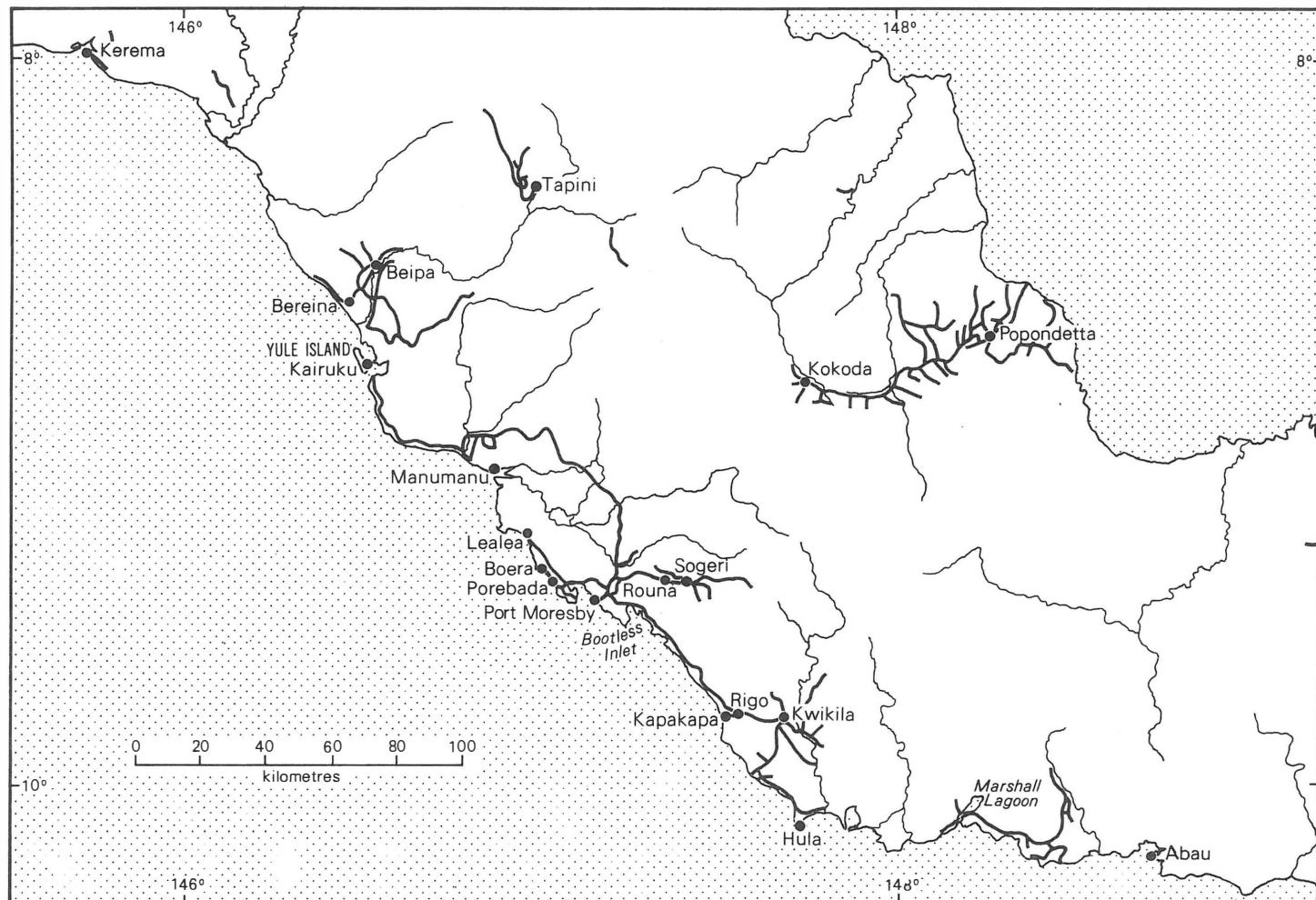
Most of the development in and around the town has been very recent. In 1874 the London Missionary Society began work among the Motu and Koita people.¹ In 1880 Andrew Goldie set up the first tradestore in Port Moresby. Both traders and missionaries were accepted by the local people. Four years later a third aspect of European society was introduced with the declaration of the Protectorate and in 1885 Port Moresby was named as the capital of the new colony. Change came slowly.

In 1941 Port Moresby was still very much a small unprepossessing frontier town of about 4,000 people.² It had irregular shipping links with the outside world, a few general stores owned by the major commercial companies, and the centres of much social activity then as now, the 'top pub' and the 'bottom pub'. The town was clearly a colonial enclave, a stratified society where Europeans occupied houses served by

¹ Motu speakers occupy fourteen nucleated villages stretching from Kapakapa to Manumanu. A reflection of the pattern of migration, there are localised sections of various clans dispersed in most of this group of villages. Today the Motu language is spoken over wide areas of Papua. The Koita, fewer in number, traditionally occupied hill-top villages generally a short distance from the coast. Since World War II they have moved in from larger villages near roadways. Like the Motu they have claims to considerable tracts of land around the town, see Groves (1963: 15-30); Belshaw (1957); Oram (1970: 5-28). I am indebted to Nigel Oram, Research Fellow, UPNG, for permission to use a draft of his forthcoming book on the history of Port Moresby.

² Oram (1972: 63) gives a breakdown of 'four hundred Europeans, a handful of Asian and Mixed race people, and some three or four thousand Papuans.' These figures include the urban villages.

Figure 3. Port Moresby and environs



at least three native servants - a cook, laundry boy and house boy - with very often a woman or young boy to attend to the wants of the children (Nelson 1972: 69). The sense of rightness in differences based on race was expressed in prohibitions on dress - no native man or woman might wear a garment on the upper part of the body - by the notices denoting separate native and European counters in stores, the regulations making illegal the consumption of alcohol by natives, the curfew operating in the town. Brown migrants were accepted only if they had a defined albeit subordinate place. The traditional urban villages formed other enclaves. There health and education services were provided by the missions. Subsistence economic activities were still important though cash became an increasingly acceptable but optional supplement (Chatterton 1970: 73-80).¹

The quiet of the town was shattered by the threat of Japanese attack. At the end of 1941 European women and children were evacuated and all able-bodied males called on for military service. Shops and offices closed. Early in February 1942 the first air raids hit the town. Australian troops, realising there was a breakdown in administration, took to looting. On 14 February civil government was suspended and Papua was placed under martial law. In March most of the officers of the two civil administrations of Papua New Guinea became officers of a combined service, Angau.

Port Moresby quickly became an important centre for military operations; airfields were constructed on the outskirts of the town, each strip surrounded by tents, quonset huts and other temporary buildings. Activities were expanded from October 1942 when the Combined Operation Service Command was set up to cope with the docking and unloading of ships, the storage and despatch of supplies, the treatment of the wounded, the servicing of equipment: all the requirements of those engaged in campaigns in occupied territories to the north were met from this base.

There was also much movement of local people. Adult males from many parts of Papua found employment, often for the first time, with Angau. Village people from the traditional

¹ Change came more rapidly immediately after the war. An interesting comparison at the time is made between Hanuabada and another Motu village, thirty miles from the town, Manumanu, in Groves (1957: 39-46).

communities of the town were evacuated, first to bush camps where they were provisioned with rations, and later to other coastal communities further afield (Stuart 1970: 134-43).

From mid-1943 on, with safety assured, Angau turned to reconstruction work. The town became a busy depot serving the large concentrations of troops still based on its outskirts. The return of peace engendered much idealism, and hopes were expressed for the creation of a new order. In the words of J.K. Murray, first administrator of the combined Territory, 'A new spirit, new ideas, new demands and standards, have spread through the native community. I do not propose to attempt, even if I could hope to succeed, to stifle that spirit so that European employers can return to the standards of a vanished world.' (Inglis 1968: 523)

In fact, the transformation was not nearly as complete as Murray's somewhat optimistic view would suggest. After the war the general shortage of many basic materials added to the perennial problems of shipping and supply and there was some hardship but the town remained a European one in which indigenes had a rightful place only by virtue of employment by a taubada.¹ Few significant changes were noticeable until the late 1950s. The impelling factors were firstly the institution of programmes to improve standards of health, government control and income levels especially in rural areas and the concomitant increase in Australian aid and in the numbers employed in the public service, and secondly the increased volume of trade passing through the port. Many expatriates, newly recruited, took up residence in the town, commercial activity was greatly stimulated. Papua New Guineans found new opportunities open to them and their horizons widened.

Prior to 1951-52 Australian aid to Papua New Guinea was less than \$10 million annually. In 1955-56 it was about \$15 million (Nelson 1972: 113). The Australian grant for the year 1960-61 amounted to \$29.6 million, other Commonwealth expenditure bringing the total to \$37.5 million. Corresponding figures for the period 1969-70 were \$96 million and \$118.6 million (Langmore 1970: 4). As noted, the growth rate sustained in the monetary sector of the gross Territory product over the period has been high (Langmore 1970: 7). The value of trade handled by the port almost doubled in the

¹ The Motu term of address for a European male, also with the connotation 'master'.

years 1964-65 to 1967-68, in the latter comprising \$59 million in imports and \$10 million in exports (Langmore 1970: 4).

Likewise the numbers employed in the public service rapidly increased: from 1,174 expatriate officers and employees in 1951 to 6,473 in 1964, of whom 5,359 were expatriate. Most of the new officers were posted to Port Moresby (Parker 1966: 196). In 1966, 40 per cent of the town's employed workforce of 19,769 were directly in government employ and a considerable part of the remainder relied heavily, if indirectly, on government expenditure (Langmore 1970: 3).

The town's population expanded accordingly. In 1966 Port Moresby had an indigenous population of 32,213 and a non-indigenous population of 9,807 (Surmon 1971: 94).¹ The corresponding figures for 1971 were 50,988 and 15,256.

In part an impetus, in part a response to these changes were a number of legislative measures, enacted from the late 1950s on and which greatly affected the quality of life in the town. The discriminating legislation had from 1948 come under fire from the United Nations. Australia was sensitive to criticisms of her colonial record and this censure may have speeded up the process of change (Tomasetti 1970: 57ff). The direction change took, however, was influenced more by the interaction of several factors: the altering emphases in directives from permanent officials in Canberra, the demands of economic development in Papua New Guinea itself and, on specific issues, 'an acute sense of discrimination growing in the native mind particularly in the urban areas.' (Cleland 1968: 219). Some of these changes have had far-reaching effects.

From 1957 Chinese people born in New Guinea could apply for Australian citizenship and those who were successful were allowed to settle in Papua.² Most of the newcomers took up

¹ Oram (1972) gives a breakdown of 31,436 indigenous males and 19,552 females; 8,162 non-indigenous males and 7,094 females.

² The citizenship provision was later extended to include those who arrived before World War II and those of mixed-race origins. The provisions are related to Australia's policy of applying strict immigration laws against non-Europeans. Papuans are legally Australian citizens (though without entry rights to Australia). This right was denied Chinese who were thereby excluded from Papua until the regulations were relaxed (Nelson 1972: 105).

blocks of land zoned for commercial use and with the help of rotating credit unions, set up general tradestores and in a few cases, restaurants. There are now clusters of these stores in all suburbs of Port Moresby. The owners live on the premises, open for long hours, and stocking goods ranging from foodstuffs and clothing to household utensils and transistor radios, claim a big share of the retail trade, especially with the Papua New Guinean community. They are a group in between and many feel themselves to be in a vulnerable position. For the present most Chinese would prefer to stay though they express fears that a breakdown in law and order will make it impossible to carry on in business. Many report an increase in the number of incidents where Papua New Guinean customers return claiming to have been short changed. Payouts are made for fear of reprisals.¹

The curfew and absence-from-quarters regulations were progressively repealed in 1954, 1956 and 1959. In 1963 the remaining legal restrictions were removed under the Discriminatory Practices Ordinance and Papua New Guineans were legally allowed to drink. Throughout the post-war period Papua New Guineans came to town in increasing numbers. (Until the late 1950s the flow of migrants to Port Moresby was from the outer districts of Papua. During the 1960s the movement of population was from New Guinea as well (Ward 1971: 82).) The prospect of a job and riches was the main attraction but a whole range of social and economic motives are relevant:

...They include the desire to extend one's range of experience; the wish to avoid communal and council obligations and the dullness of village life; the need to earn cash for tax payments; the desire to get children into school or to get further education oneself; the attraction of the variety of town life and the higher level of services, public and commercial, which are available in non-village areas. (Ward 1971: 97)

Some find jobs - with government departments, private enterprise, as domestic servants. Some have accommodation provided by their employer or rent a low-cost house from the

¹ I am indebted to Christine Inglis, lecturer in Sociology at La Trobe University and currently working on a thesis concerning Chinese businessmen, for information on the Chinese community.

Housing Commission. Recently, since even low-cost housing is beyond the means of most urban migrants, the Commission has developed suburbs with provision for both low- and no-covenant housing,¹ the latter allowing a blockholder to build whatever standard of shelter he can afford. Others, less fortunate, or unwilling to move from convenient locations live in squatter dwellings of sacking, packing cases and sheet iron. Over time many residents make improvements and build homes suited to the requirements of their families. These settlements are often without adequate supplies of water, sanitation or garbage disposal facilities and they have no rights to the land on which they live. In 1964 one-fifth of the Papuan migrant population lived in twenty-two such settlements. Since then, with the influx of New Guinean migrants, the numbers have increased substantially though accurate figures are not available.² Despite the generally poor conditions and inadequate resources some settlements are being replanned and redeveloped. And then there are the homeless, newcomers to town, those who have lost their job and with it a place to sleep, men who temporarily at least are forced to find refuge with one wantok after another.

Expatriate residents in Port Moresby are also attracted for a variety of reasons. They come for the higher salaries, the prospects of rapid promotion, for adventure or with a sense of idealism. Most, over 70 per cent of those in the census category non-indigenous, were born in Australia; another 20 per cent were born outside both Papua New Guinea and Australia. Most have been in Port Moresby for less than four years (Nelson 1972: 172ff). These people live in older established suburbs where the only brown residents are domestic servants or in newer suburbs where high-covenant and low-covenant areas effectively mean residential clustering more or less on racial lines. Most areas are an ugly imitation of Australian suburbia in any north Queensland town.

The town's people are often transients with stronger loyalties and commitments elsewhere. Until recently urban government, too, focussed on the rural areas. There was no form of urban government and no system of town rating until April 1971. Ethnic and tribal differences create social

¹ See pp.23-4.

² For an account of one settlement see Hitchcock and Oram (1967).

barriers that make it difficult to develop a sense of community. And these differences tend to be reinforced by the wide variation in standards of education and levels of employment and income.

According to the 1966 census some 20 per cent of urban villagers over the age of five never attended school. Some 20 per cent of those who did receive an education continued to the secondary level. For other sections of the indigenous population in the town the numbers who never attended school are higher, and except for the older-established, residential areas of Hohola and Kaugere where many senior indigenous government and commercial employees live, fewer received secondary education. In 1966 only seventeen Papua New Guineans resident in Port Moresby had had any form of tertiary education. Since then the numbers attending both secondary and tertiary institutions have increased and many of the young people so qualified find employment in the town.¹

A high proportion of the total workforce is employed in building and construction and in administrative, community and business services. A small proportion, 7.4 per cent in 1966, is engaged in manufacturing (Langmore 1970: 8; Howe 1970: 1). The European still plays a dominant role in the economy. In 1969 19 per cent of European males in the workforce had professional qualifications, a further 15 per cent were managers, 18 per cent clerks, approximately 35 per cent skilled tradesmen and 15 per cent worked as salesmen, in transport or the defence services (Oram 1972: 213). Within the public service

the predominance of overseas officers...is most obvious at the upper levels of all departments. In mid 1969 in the Treasury there were seventy-two middle and higher level officers (i.e. from Class 5 up to Director), all were expatriates; in the Department of Land there were sixty-two overseas officers and no local officers; in the Administrators Department 363 overseas officers served alongside thirteen local officers. The

¹ Until 1956 Australia concentrated on primary education. In that year the expansion of the secondary education system was announced. Apprenticeship and technical education began modestly in 1947 and was considerably extended from the mid-1950s on (Tomasetti 1970: 24). The University of Papua New Guinea was established in 1965. See also Oram (1970: 64).

imbalance was lower in Health, Education and Law, but still overseas officers outnumbered local officers by about four to one. (Nelson 1972: 194)

From mid-1972 on, as a result of the Coalition government's localisation policy, there has been a dramatic increase in the number of Papua New Guineans appointed to senior positions.

In private enterprise Papua New Guinean workers are excluded from the middle and upper levels to an even greater extent. Generally there is a lack of in-service training and there are few government incentives to encourage the implementation of such programmes. Moreover, there is a strong unwillingness to promote local staff to positions of responsibility. 'Private companies are very conscious of their dependence on expatriates in sub-managerial capacities. Despite the cost of their salaries, services, and recruitment, management prefers them to indigenous employees; any move likely to cause resentment among expatriates is avoided.' (Bettison 1966: 235)

According to the 1966 census, only 128 Papua New Guineans in Port Moresby could be classified as self employed, most as subcontractors in such fields as painting and stonemasonry (Langmore 1964: 30). There are few street hawkers and no small-scale specialist services such as tailoring, bicycle repair shops or street vending of prepared foods. There are plans to stimulate such developments through the improvement of stalls and facilities at the town's biggest local market at Koki and smaller markets are being set up in some suburbs.¹ However, most Papua New Guineans in town work as unskilled or semi-skilled labourers or as low-level clerical and sales assistants. Long periods of unemployment are common.

Differences in education and job skills are reflected in salary rates. In the public service a permanent overseas officer receives a higher salary than would his counterpart in Australia. In addition he receives a Territory allowance, a house at nominal rental, three months' leave after twenty-one months' service with fares to Australia and lower income tax rates than in Australia. Over the past few years this state of affairs has been disguised by a single line salary structure according to which positions are advertised showing only one salary range, but to which, for

¹ Post Courier, 8 May 1972.

expatriate officers, an overseas allowance is added. Thus for a stenographer the salary range is \$1,200-1,300 with an overseas allowance of \$1,810-1,950 and for a clerk class 8 \$4,235-4,595 with an overseas allowance of \$4,176-4,555 (Nelson 1972: 197). Indigenous university graduates are recruited at about the clerk class 4 salary level of \$1,784-1,955. The highest salary range in the second division is clerk class 11 at \$6,665 for a local officer (Wolfers 1967-71: 30-24). By contrast, in 1970 the minimum weekly wage for unskilled workers in Port Moresby was \$7, or \$364 per annum. In 1972 the urban minimum wage was raised to \$11 weekly. In 1966 over half of the Papua New Guineans in private or government employ had annual incomes of \$442 or less and only 101 of a₁ total of 14,047 received annual incomes of \$1,732 or more.

What these factors mean as determinants of the quality of life in Port Moresby and for the patterns of social interaction of its inhabitants is difficult to gauge. In a situation of continuing foreign dominance the developments of the recent past have changed intergroup relations mainly in terms of increasing the complexity and confusion of roles and attitudes. The removal of legal barriers has not led to an increase in informal interaction.

In this context of social interaction, a distinction has to be made for Papua New Guinean town dwellers between the inhabitants of urban villages around whom the town has grown, and the newcomers, migrants, often from distant parts of the country. In the former most men are wholly engaged in the cash economy as wage earners: clerks, drivers, sales assistants and tradesmen. Their wives and daughters may also take paid employment but on marriage most work in food gardens to supplement household supplies. For many of these people life centres on village affairs: the church, the women's club, the local school, discussions of village elders on community problems, preparations for traditional bride-wealth exchanges, feasting for the re-entry of a young mother into the community, arrangements for a funeral. Such 'traditions' still have a very important place in the lives of these people.

¹ For a more detailed breakdown see Langmore (1970: 33). More up-to-date figures are not available but it is doubtful if the proportions have changed very much over the last few years.

For the migrant social contacts in town tend to be limited by the horizons of the subdistrict, district and occasionally, region of origin. This pattern of interaction may be manifested in residence patterns; some groups such as the Toaripi cluster in relatively homogeneous settlements to form a new kind of 'traditional' village in town. Beyond this protected environment

...The initial experience of strangeness of many of the young migrants coupled with their involvement in the affairs and interests of their intimate wantok and their uncertainty of other peoples tends to produce a division of Port Moresby residents into: 'me and my wantok'; other people who share my culture; neighbouring peoples with whom I am familiar: all the rest of Papua New Guinea's humanity. (Rew 1969: 43)

This intimacy with relatively few people finds expression typically in town pursuits and may extend to the composition of sports teams, the pooling of money in informal savings clubs, the financing of a bisnis car or simply the frequenting of a particular bar. Migrants may organise small religious meetings in houses and maintain links with a home mission rather than attend a church in town (Parratt 1970). Indeed, for some migrants the home village remains the centre for many strong loyalties. A man may leave his wife and children at home,¹ send goods and money to them and other relatives, and intend himself to return, perhaps in the hope of using new skills and small capital reserves to start a business.² Others are long settled in town, may be renting or buying a house at Hohola; their children may have been born in town, and while these people often say they are staying only to educate their children it seems likely that many will remain as urban dwellers. Even for these settlers, however, familiarity with the town and its inhabitants may not lessen the importance of the pattern of encounters described by Rew.

¹ The sex ratios in Port Moresby for indigenous males per 100 females in 1966 were 185 and in 1970, 169. The corresponding figures for non-indigenous males in the same years were 136 and 125 (Surmon 1972: 96). There is probably considerable variation among different groups. Ryan (Ward 1971: 102) notes that 'of Toaripi men in Port Moresby in 1963-64, nearly 70 per cent had first left home over ten years previously; and approximately 80 per cent were married and had their families with them...'

² Cf Ploeg (1972: 280-95).

Until 1972 with the establishment of the Cathay Club, the exclusiveness of the Chinese as a group did not have any formal institutional basis. The personal ties have, however, always been strong and because of the pattern of younger sons migrating to set up businesses in other centres, extend beyond the town in a dense, country-wide network.¹

Many Europeans continue to enjoy positions of wealth, power and prestige. European women still find work as typists, as sales assistants in larger stores or as telephonists and receptionists.² European men, apart from filling jobs requiring specialist skills, work as medium-level clerks in government offices and private enterprise, in travel agencies, as semi-skilled tradesmen. This order is rapidly becoming an old one. By the end of 1972, following the formation of the National Coalition government, few policy guidelines had been explicitly formulated, but there were pointers. In a statement of 1 June 1972, under the terms of the Employment (Training and Regulation) Ordinance, 1971, the Administrator announced that the employment of expatriates in forty-two occupations was prohibited, and in another fifty-eight was restricted to two- or three-year contracts.³ Subsequently the list was expanded. The tempo of such changes will undoubtedly quicken with the attainment of self government on 1 December 1973. And policy changes will certainly affect the quality of life in Port Moresby.

Meantime a major topic of conversation for the European housewife continues to be the idiosyncracies of her domestic, and for her husband, the impossibility of dealing with local staff. There is much discussion about the future of the country and problems such as lawlessness in the highlands or job security in the face of localisation policies. Most

¹ For example, according to Christine Inglis, in the rotating credit unions, so strong are the social pressures and so personal the links that there have been only two defaulters since World War II.

² The national workforce participation rate for non-indigenous females aged between 15 and 64 years was 62 per cent in 1966, considerably higher than the Australian rate of around 20 per cent in 1961. (Langmore 1970: 20)

³ Post Courier, 2 June 1972.

continue to have their roots outside Port Moresby and there is no organised resistance to change; rather there is apathy and any fears¹ are allayed by a drink at the club and the knowledge that if things get too bad it is possible to leave.

Given these circumstances intergroup and interethnic encounters do not come easily. By convention hotel bars, clubs, theatres and buses are all frequented by particular groups. There is social mixing on the sports field, in church and for a small, educated Papua New Guinean elite, through work and at social gatherings. But where people tend to see each other in terms of tribal and racial stereotypes it is difficult to break down the barriers. Often 'in any mixed group...Papuan and New Guineans tend to behave as if they are paralysed' (Nadkarni 1970: 5). The scattered residential pattern of Port Moresby does more than reflect the broken nature of the terrain. The social distance between groups is equally marked and the patterns of communication as discontinuous. Indeed, 'the present town is hung in a state of endless becoming, caught mid-way between its earlier role as a small European centre with a surrounding and ragged galaxy of native villages and labour compounds and the more integrated role its apologists would wish for it in the future' (Rew 1971: xiii).

¹ Such as those given rabid expression by Morgan (1971: 25-7):

In Port Moresby no white woman walks alone at night, and if she has to go out after dark she scoots along in a locked car. New Guinean girls try to make sure they are in their hostel before nightfall. You hear so much about rape that even discounting the hysteria you finally opt for prudence. 'A Goilala will rape you and cut your throat or he might do it the other way round' is the caution that really strikes home...and so on.

Chapter 2

Businessmen in town

The environment of Port Moresby has stunted rather than facilitated the emergence of a lively group of traders in the market place. One politician Mr Oala Oala-Rarua, replied thus to the question of how to accelerate indigenous participation in business:

Everyday life in a place like Port Moresby leads me to believe that this involvement of Papuans and New Guineans in business ventures is almost impossible to implement. One day the policy is to set up local businesses - for example a barber shop to encourage Papuans and New Guineans to run this little show. It does not require a lot of managerial skill; it does not require a lot of training, but it does require a good barber and somebody who can bank money quite regularly. In spite of all the efforts to get Papuans and New Guineans involved in business there is an open door which allows other people in competition with these native businessmen.¹

This 'open door' policy has resulted in the establishment of numbers of expatriate-owned and -controlled firms. In Port Moresby in November 1971 there were sixty-three manufacturers engaged in such fields as food and drink processing, industrial gases and industries connected with the construction and associated trades. A further 152 were classified as service industries or industrial suppliers. Only two local firms were included in the listings.² And the emphasis on this kind of development does seem to have adversely affected other types of economic activity. The informal sector has not been officially encouraged and spontaneous growth has been limited both in extent and in

¹ H.A.D., vol.II, no.7, p.1898, 11 November 1969.

² Department of Trade and Industry, 'Manufacturers in Port Moresby', 1971.

the variety of activities. There is little evidence of the bazaar-type economy found in many parts of Asia and Africa. Until the establishment of the BPC, the DBD concentrated its advisory services particularly in such matters as stocktaking and the filing of tax returns in the traditional villages in and around the town. There co-operative societies, informal groups and sole traders operated trade-stores or passenger transport services. The DB in its early years concentrated most effort in small projects in rural areas. The unstated rationale appears to have been that from such beginnings Papua New Guineans might move into more sophisticated enterprises. Instead, as Howlett (1962) argues, the small primary producer-petty entrepreneur stage may be regarded as a terminal phase of peasantry. The first Papua New Guineans businessmen in Port Moresby attempted to go beyond this stage by competing with expatriate firms in a town-based business. Their model was clearly that of the small firm. To some degree it is a development strategy that has now become internalised. This was regarded as the 'real' or 'proper' way of business. A Port Moresby businessman, candidate at the 1972 House of Assembly elections, campaigned on an economic platform of

Support for the continuation of present policies; stable and rapid economic development through free enterprise and investment; acceleration of indigenous participation in business without undue interference to foreign investors and more business advisory officers to advise and encourage more local people to go into business. (Ovia 1972)¹

In fact, since about 1970 both the DBD and the DB have been promoting indigenous participation in small-firm-type business ventures.

Business activities

Papua New Guineans moved first into service industries so that they could draw on the support and custom of village people and from that base gradually become established as urban businessmen. Those who followed took on a wider range of activities and a few ventured into manufacturing. A breakdown of the thirty businesses studied according to the main activity undertaken is as follows: 1 joinery factory,

¹ Another aspiring politician and businessman, Sevese Morea, campaigned on a similar platform.

1 electrical, 1 painting and 6 building contractors; 2 steel fabricating workshops, 1 panel beater and 5 motor garage workshops, 1 footwear manufacturer, 1 shoe repair shop, 2 men's hairdressers, 1 paper processing factory, 1 commercial cleaning business, 2 milk delivery services, and 5 transport operations of various kinds. A businessman may engage in more than one activity. Thus two village tradestores are owned by transport operators, one trade-store and firewood sales business is combined with a transport service, and one barber's shop is combined with a transport business, one store is attached to a manufacturing business, and another village store is combined with an electrical contracting business.

A number of other businesses not noted here are referred to for various reasons in the case studies. A seventh building contractor is mentioned in regard to tendering procedures but no detailed information is available about him or his business since he did not wish to take part in the study. A village tradestore and the Buang group are included in the series relating to the BPC because, although they lie outside the scope of the study, they provide examples of the kind of roles which BAO's may adopt. Similarly two painting contractors are referred to as examples of the relationships formed between government departments. Finally, towards the end of the fieldwork period many Motuan businessmen featured here, together with some others, formed a company, Maigabu Autoport, to carry on a business as garage proprietors. There was not time to study the business in detail but it provides an example of the network of ties linking the established Motuan business and political elites in town.¹

¹ During the study a number of craft workshops were also established, two in the field of screen printing. Several other craftsmen worked in mediums such as copper and aluminium either independently or attached to a creative arts centre at the university. These craftsmen use new skills acquired under the tutelage of an expatriate patron and teacher for the expression of traditional art concepts in a new medium. The activities of these craftsmen fall outside the scope of the present study: the patron did not intend that a protege emulate western business models but that craftwork provide an alternative to labouring for unskilled migrants to town.

Most businesses are based on special trade skills while in only nine is general management expertise more important and previous training irrelevant or of little significance. Three businesses combining more than one activity comprise transport and trading, both operations requiring managerial abilities. Their owners are older men who through government experience are competent managers with contacts in business around the town. One trader transporter also sells firewood to residents in town. Two stores have been established by men with special trade skills, the electrician and a welder, owner/manager of a steel furniture manufacturing business. The first store serves the businessman's village and is managed by his wife. The manufacturer has acted more in the role of patron and sponsor. He has financed and set up at his business premises a store that caters for workers in nearby factories and offices. The store is managed by a younger male kinsman who is also employed in the workshop and the owner himself supervises. These stores tend to be social gathering places and sources of much local gossip. Ownership is a mark of status. The other instance of a business involving more than one activity is that of a hairdresser who has a truck engaged in contract carting in the town area.

Characteristics of Port Moresby's businessmen¹

Six businesses are not operated by sole traders; the exceptions are partnerships of two as in a transport firm, a steel furniture factory, the joinery factory, and the shoe repair shop, four in the case of one garage workshop, and six in the painting contracting business. The paper manufacturer is not a sole trader but originally was in partnership with a European who intended to transfer control and ownership to Papua New Guineans. This gives a total of forty-two businessmen for whom detailed information is available.

Most businessmen are over thirty years old and 17 are over forty; only 9 are in their twenties. Sixteen businessmen come from traditional Motu and Koita villages in the town or on its outskirts. Of the remainder most come from the Central District and all but two come from

¹ Including one woman but for convenience I do not make the distinction.

Papua. They are a garage proprietor from the West Sepik District and a Fijian now permanently resident in Papua New Guinea. Both are married to Papuans.

Two businessmen had no formal education, 34 received a mission education and the same number had some primary education, often to standard two or three. Twenty-two have had some mostly informal trade training, so the level of skill varies considerably. Six younger businessmen have been educated to secondary level and one older businessman in later life took correspondence courses to the Queensland Junior level. Eight businessmen have travelled beyond Papua New Guinea, 3 young men for the purpose of education. Ten businessmen are prominent in local government or community affairs, 5 in church matters and 5 are active in politics. Both younger and older men are found in these roles.

All but two of the younger men are married. Those resident in urban villages tend to be well established with large families and numerous obligations to dispense hospitality. This characteristic may tie in with the multi-interest businesses of three men in this category. They have tradestores attached to their houses and the ready availability of food supplies is an important convenience for them. Two have kinsfolk at villages within commuting distance of Port Moresby. These relatives bring food from subsistence gardens and other gifts and receive store foods and cigarettes in return.

A composite picture of a typical businessman would show a man in his early forties, married with six children. He is a Motu speaker and attended a London Missionary Society (LMS) village school but his education was cut short by the war. However, informally he continued his education afterwards through employment as a filing clerk-cum-tea maker in a government department or as a tradesman's assistant in a private company. The young worker gradually came to be given more tasks for most of which he showed some aptitude and liking. He widened his experience in other departments or companies. It became evident to him that responsibility and skill did not necessarily mean commensurate additions to his pay packet. Meantime younger men, more highly educated, entered the public service or took up a formal apprenticeship in a trade. The older man felt threatened. He began to take notice of the talk of increasing opportunities for Papua New Guineans in business; he was ready to seize any opportunity that presented itself to 'try business'.

This sketch suggests some of the reasons for the small number of businessmen in the younger age group and for the large number of tradesmen in other age groups. Increasingly, well-educated men are in demand to fill responsible positions with attractive conditions in the public service. There is also an acute shortage of qualified tradesmen and technicians and those who are accepted for training schemes are able on completion of a course to obtain relatively well-paid jobs. Few tradesmen who have gone into business have had any formal training, although they have long practical experience, often as effective supervisors under expatriate foremen. Once the availability of capital and work was assured there was little risk involved in working independently. The prospects for good financial returns appeared sound. And if the business failed, a man could always find wage employment again.

The younger men and the older established businessmen do not have a trade skill but they do have the ability to organise. For those who first risked business this was very necessary even for survival. For the younger men it is a trait that has been fostered by a sponsor.

Sponsorship and the first experience of business

Those who first competed with expatriate businessmen had no sponsors although sometimes they were able to manipulate old employment ties to get work. Since then the initial experience of business has often been under the aegis of a promotor. Thus the paper manufacturing plant and the two steel fabricating workshops were established by Europeans in order to promote a local businessman. The expatriate himself selected the person to join him and to some degree decided on what terms. Thus the promoter of the paper manufacturing plant invited a young man to join him and later take up shares in the company. The two partners in the steel fabricating business, Strongbuilt, were chosen by their patron for their apparent potential as factory foreman and manager respectively. This expatriate had his own business and, for a percentage fee which he determined, acted as supplier, marketing agent and technical adviser to the infant firm. The second steel workshop, Allied Enterprises, was promoted by an expatriate public servant; he selected the person to take over and negotiated the terms of the sale. All three Europeans provided some finance and all had a strong emotional commitment to their project. At some stage however, each businessman has had to approach the

DB for additional finance, and the granting of the loan has been conditional on indigenous participation on terms acceptable to the bank. These have been complied with but not without resentment. Patrons generally do not take kindly to rivals who may usurp their positions of power and status.

The firm of painting contractors, the joinery, one of the building contractors and the hairdressing business were all takeovers of established expatriate businesses. In each case the former owner wished to leave the country and proposed that his business be transferred to leading employees. The European made the initial approaches both to the employees and to the DB though once the sale had been made he withdrew. Like patrons, these expatriates to some extent determined the terms of the transfer. For example one long-term employee of a painting contracting business was excluded from the transfer on the grounds that he lacked fluency in English. These men might be termed promoters rather than patrons: they wished to further the interests of certain employees and at the same time assure for themselves a reasonable selling price. In two cases the latter consideration was probably of prime importance. Informally the expatriate builder has maintained contact and a real interest in those who took over the joinery and building part of his business and on his periodic visits from Australia he spends time with them, encouraging, advising, and arranging to order materials and machinery in Australia. But for promoters there is no continuing financial interest in the business and the emotional tie is less. In contrast to the clients of patrons these businessmen identify scarcely at all in their own businesses with their former employers.

The shoe repair shop was also a takeover of an existing expatriate-owned business but since the employees had no capital the DB itself was the purchaser and sponsor. Similarly one of the milk runs was sponsored by the bank with no equity from the Papua New Guinean involved. In both cases it was felt that the business was well suited to indigenous ownership and control and that unless the bank took immediate steps to ensure their own short-term ownership and control, expatriate interests would take up the opportunity. The footwear manufacturing enterprise was researched, planned and promoted entirely by the bank and bank staff selected a potential owner manager.

Two expatriates with connections in the DB saw the prospects for a second milk delivery service and they financed and sponsored a Papua New Guinean into that.

The employers of the businessman who started the commercial cleaning firm assisted him in a number of ways: they made the initial suggestion, assured him of a large contract cleaning their own premises and lent him the basic equipment. In addition they continued to provide him with accommodation and part-time employment until the new enterprise was under way.

Other businessmen independently decided to set themselves up in business. Except for the six businessmen older established, the DB and or the DBD provided loan finance, the use of premises, advisory services, or practical assistance such as the keeping of books or the submission of tenders. It is intended that these supports should be short-term and that businessmen should be assisted to get commercial bank finance, their own business premises and independent business and technical service. This ideal has not so far been realised.

BAO's and project officers

Clearly field staff in both the DBD and the DB play important support roles in many ventures. Expatriate BAO's have been men of various ages, many with long experience in government. More recently younger men with a background in private enterprise or with professional qualifications in accountancy and or business studies have been appointed. At the BPC in Port Moresby the officers-in-charge have always been expatriate. They are assisted by local officers and trainees, generally young men recruited on completion of their secondary education. These trainees then undergo courses in subjects like business studies and book-keeping at the co-operative college. In dealing with clients more important matters, especially those involving other government departments or private concerns, are attended to by senior staff while local officers make up wages, work out quotations or assist with tax returns. In part this allocation of tasks is a measure of the relative lack of experience of indigenous officers and in part it reflects the preference of clients, most of whom would choose to take matters considered to be important to a senior officer.

BPC staff seldom take the initiative in business promotion. Businessmen come to the centre, some become regular clients, and staff make what they can of the material available. By contrast the DB projects department has on occasion assumed an entrepreneurial function, seeking out new business opportunities, and deciding how

best to take advantage of them. Project officers are assigned to a particular enterprise, often a new firm in which the bank has a substantial investment. Pressure to make the business show a reasonable return on investment engenders a sense of commitment on the part of the officer who tends to identify with 'his' businessmen in dealing with other departments, private companies or other personnel in the bank itself.

So far all DB project officers working in the field in Port Moresby have been expatriate, although for a time an indigenous trainee officer was attached to the joinery factory as a management adviser. These men are young, most with experience in private enterprise, some with professional qualifications. They are given greater freedom than BAO's in handling cases and are less obliged to report back on interviews conducted or decisions made.

Perhaps not surprisingly there is some tension between the field staff of the two establishments. Clearly there is a need for some co-operation and this is forthcoming in projects such as the building contractors where both institutions are involved. On other projects, however, there is a fairly clear definition of interest and officers tend to speak in mutually disparaging terms of the other's work. BAO's and probably the DBD in general, feel slightly threatened by the newer DB with its younger, often somewhat aggressively professional officers. BAO's denigrate projects department results by reference to the considerable involvement and dependence on DB staff supports. They point to their own, more unobtrusive role and claim that slow but steady progression is in the long run better for the indigenous businessman. DB staff, on the other hand, view this as mere inaction and their approach as being geared to genuine development.

Papua New Guinean businessmen assess officers of both institutions according to whether the officer is 'a good man'.¹ A good man appears to be one who is firm but considerate and worthy of respect. If in this sense he is a good man then it is felt he will be a good officer and will be able to perform effectively the functions of his office. Thus businessmen seek to establish a person-to-person relationship: a BAO may be invited by his client to attend a village wedding, for example. On the basis of a personal evaluation the businessman is then prepared to enter

¹ See networks material, Chapter 8.

into a client-adviser role-relationship. Since officers are supposed to be impartial and objective this difference in perception may result in misunderstandings between clients and advisers.

Legal frameworks

Most businesses, twenty-two of the thirty, have no formal legally defined status. They are informally constituted though they may have a business name which is in some cases registered with the Companies Office. The majority of the informal concerns are sole traders but included are the two partnerships formed to carry on a motor garage repair service.

The four partners in the first garage workshop were of different ages, experience and ethnic background but had worked together in the same expatriate workshop. They said that the closeness of their association was signified in the business name they adopted, Hamatopa, an anagram made by combining the first letters of their given names. However, partnerships are at best subject to all manner of strains. The youngest partner soon fell out over financial returns and individually other partners said that in terms of work they were carrying the business and that their associates were merely passengers. Lack of work was only one factor contributing to the final collapse. Similarly, the partners of Motu Motors, wantok and kinsmen, fell out over returns. In both cases the disputes were 'settled' by the partners themselves since the BAO deliberately avoided intervening. Differences between partners were described in terms of allegation and counter-allegation and the real nature of the dispute and of the settlement is not known to me.

Three other partnerships are formally constituted, two, the joinery and the shoe repair shop, on the basis of terms drawn up by the DB. In these cases apparently no thought was given to the appropriateness of the nature of the agreement. The first is a partnership of two brothers-in-law, the second of two wantok. DB officers variously assess the management potential of the two partners in the joinery and strains might be introduced into the partnership if future allocations of shares are allowed to reflect the assessment. The shoe repairers have such a long and close association that differences are most unlikely to occur whatever approaches are adopted by the bank. The third partnership, a transport company, was formalised after the death of one

of the original partners when the public trustee apportioned interests in the assets of the firm between the surviving partner and the beneficiaries of the estate. In this case the trustee simply validated an arrangement worked out ostensibly 'according to native custom' by the people concerned. The surviving partner's brother's son joined the business and any differences between the two are modified by the respect accorded to the older man.

The five businesses which have legally been constituted as companies are all private companies. In June 1972 a company called Bombom Pty Ltd was established to acquire and hold stocks, shares etc. It had an authorised capital of \$10,000 in \$1 shares. The standard set of articles provided that 'the directors may reserve any of the shares in the original or increased capital of the company for issue to officers and employees of the company on such terms as to payment for same and otherwise as they may deem fit'. In September 1972 a special resolution changed the name of the company to Strongbuilt Pty Ltd and amended the memoranda so that the purposes for which the business was incorporated included 'to acquire and take over as a going concern the business now carried on under the style of "Strongbuilt" and all or any of the assets and liabilities of the proprietors of that business used in connection therewith or belonging thereto', to carry on business as furniture manufacturers, etc. There are two indigenous shareholders in the new company and they and the expatriate adviser to the firm comprise the board of directors. It would seem that in this as in similar arrangements, the presence of an expatriate minimises any strains incipient in the partnership.

Allied Enterprises Pty Ltd, the second steel furniture manufacturing business, was originally floated by five expatriates, each holding 1,000 \$1 shares. Several of the shareholders were public servants and before they could take up shares in the company the permission of the Administrator had to be obtained. This was granted only in view of the intention to foster indigenous participation. The company has a standard set of articles and provision was made for a wide range of activities. In March 1969 the shareholders made an offer to the protege of the most prominent promoter. A valuation of \$4.20 was placed on each share. The offer was accepted. The DB acquired 25 per cent of the shares and the indigenous shareholder's purchase was financed by his patron.

Ngaio Industries Pty Ltd, the paper manufacturing company was incorporated in November 1966 with an authorised capital of \$10,000 in \$1 shares. There were two expatriate shareholders. Since its formation the company's capital structure has undergone a number of changes. In 1967 a special resolution altered the share capital so that the \$10,000 authorised capital was divided into 4,000 ordinary A class shares, 4,000 ordinary B class shares and 2,000 ordinary C class shares. All classes carried voting rights. Provision was made for declaring different dividends payable on each class of shares. C class shares were intended to be issued to company employees. It was at this time that the expatriate patron attracted to the business as his partner a young Papua New Guinean. In February 1972 a new set of articles was adopted. It provided for an increase in the authorised capital to \$50,000 and divided the shares into 25,000 A class and 25,000 B class shares of \$1 each. All shares rank equally for all purposes. A and B class shareholders each appoint 3 of the 6 directors. A director is not required to have a shareholding qualification. The distinction between A, B and C class shares was abolished, all such shares becoming A class shares and their holders on the surrender of their certificates were issued with equal number of fully paid-up A class shares. B class shares were issued at a premium of 50 cents. According to the return of February 1972, the original European patron held 4,600 A class shares, his indigenous partner 4,300 A class shares and an Australian paper manufacturing company 10,000 B class shares. A class shares can be transferred only to Papua New Guineans. The two former partners, a Papua New Guinean company employee and representatives of the Australian concern, have seats on the board.

In June 1971, when the painting contracting business was taken over by six former employees, the name was changed from H.L. Hammond Pty Ltd to Hammond Motu Pty Ltd and the standard set of articles was retained. At that time the indigenous shareholders each took up 300 \$1 shares and the DB took up the remaining 75 per cent equity. The former expatriate owner unsuccessfully pressed for the shares to be progressively transferred equally to the six men involved. All foremen shareholders have seats on the board along with a DB representative. The company's indigenous manager is secretary to the Board.

Wokabaut Footwear Pty Ltd was incorporated in 1971 according to instructions issued to a solicitor by the securities officer of the DB. Bank officers were cited as nominal

shareholders and directors in what was a bank subsidiary. The new company then employed a manageress. Shortly after the factory commenced production in March 1972 a bank spokesman indicated that it was intended to review the management ownership situation after a three month trial period. If the manageress had sufficient capital the bank might agree to an outright sale, otherwise it would insist on retaining equity. The following month the manageress claimed to be unaware of her rights and prospects. She wished to alter the situation immediately by investing capital in the business but this was not allowed because it was then considered that the business was still in an experimental stage. However, this meant that bank officers called regularly at the factory premises to help solve problems over production, supplies, marketing and labour. Their interference was resented and it soon became apparent that projects officer and manageress had different ideas on how the business might best be organised and developed. At the end of the study period it appeared that the manageress, by a combination of forceful personality and potential political rallying, might win out.

Legal frameworks are clearly not an issue for most businessmen but any formal structure adopted has conformed with the existing Australian models of partnerships and proprietary companies. The public company model has not been adopted; there is no case of a public company owned and controlled by Papua New Guineans nor has any attempt been made to float a share issue for that purpose.

Finance

Twenty-two enterprises have raised capital from the DB. Some are hire purchase equipment loans, others are term loans, most are on normal bank conditions. An exception is the modification of procedure adopted in the case of credit facilities afforded to the two builders for maintenance contracts: in order to cope with the demands of the work, funds have been deposited in special trading bank accounts on behalf of the builders who then draw against this account for the purchase of materials.

At least five businessmen have obtained funds from finance companies, mainly for the purchase of trucks and forklifts. The older established businessmen prefer to continue these arrangements because, while acknowledging that repayments and interest rates are higher than those charged by the DB, they have established a reputation with particular firms and claim that few questions are asked and delays are minimal.

Eight businessmen have had loans from private sources and some of these warrant further consideration. Three advances were made by patrons. One loan of \$16,000 was to finance the purchase of shares. Interest was calculated at 7½ per cent on the reducible balance and repayment was to be made 'as soon as possible'. A second patron provided all working capital to an extent of approximately \$18,000 as at October 1972. No terms were specified and no repayments had been made when the DB approved a loan intended in part to pay the expatriate. The same man advanced the business a loan of \$2,000 at 12 per cent interest per annum. A third patron also had an interest in a finance company and through that was able to make a number of advances to the business in which he had joined with his indigenous protege. In 1972 the extent of the advances was \$49,135 repayable in full. Interest on the debt was calculated at 18 per cent per annum. The DB regarded the interest charge as excessively high and approved a loan of \$40,000 largely to reduce this debt.

One businessman obtained a loan of \$200 from the local church. This was not documented in any way and became the subject of a dispute since one of the church deacons, who was also kinsman of the contractor and in his employ, claimed that the advance was conditional on his being given a share in the firm. This was denied by the founder. The matter was raised with a prominent European churchman and the Public Solicitor's Office. Both decided that no action could be taken. The loan was repaid after several months by a 'gift' to the church of \$300.

Two businessmen have been advanced money by relatives, one by his father and the other by a classificatory kinsman. In the first instance the money was drawn from savings and in the second from compensation monies awarded following an accident. No set terms were made regarding repayments.

A Chinese trader advanced money to a Papua New Guinean firm for the purpose of building an office block and tradestore complex. The loan was made in lieu of rental for the shop, the tenure of which was assured for the trader.

One of the oldest businesses in the town was advanced \$6,000 by the Native Loans Board, to my knowledge the only significant advance made to a town-based business. And thereafter this particular business was advised to enter into hire purchase agreements with private companies, the board in the first instance providing a guarantee.

Four small businesses set themselves up with no outside financial backing. Their requirements were virtually nil since as tradesmen they had a few tools and only limited funds were needed for working capital.

There were no examples of the informal mobilisation of capital from, say, kin groups on any large scale. There was only one case of accommodation being granted by a commercial bank.

Land

Four of the older established businessmen set up in businesses which do not require commercial land holdings. They have tradestores attached to their homes on land held under customary tenure; another room in the house may be set aside as an office; trucks are parked in the vicinity at night and forklifts remain in the wharf area. Sometimes a house is inconveniently located for business purposes. One proprietor's house and store are well sited for village custom but being set back from a busy road, it is difficult to attract passing trade. Consequently the businessman wishes to obtain a tenure-converted title to a block fronting the road but has not been able to obtain the approval of all claimants (see Fig.4).

Similarly contracting, milk delivery services and commercial cleaning can be operated from the homes of businessmen. Nevertheless, as the scale of operations grows, these enterprises may require office and storage space or workshops. Thus some builders have used part of the property attached to the BPC as a yard. One builder has an informal clan land agreement to land near his home. He has erected a workshop there for storing timber and working on frames and power machine tools have been installed. A disused house nearby serves as an office and provides storage space for joinery and other items.

Sixteen businesses have some form of leasehold tenure to land. Almost half of these comprise special arrangements made through the BPC whereby businessmen can rent workshop space at a yearly cost of \$100 per 100 sq.ft module.¹ This accommodation is supposed to be temporary and sites are held in reserve near the centre for promising businessmen. The system has not worked that way. Two workshop proprietors were evicted and established themselves for a time elsewhere; the others simply collapsed.

¹ Or \$200 for 200 sq.ft and \$300 for 300 sq.ft.

Three businessmen are in shops in commercial centres and pay rents ranging from \$53 to \$130 per month. Two other businessmen have title to light industrial blocks in Hohola and three manufacturers rent premises in the same area. All three were applying for blocks of land and since the survey two have begun work on factory construction. Finally in one case the DB has title to the land and rents premises to an indigenous business. Rental payments such as the business can afford are made monthly and in time will be converted to an equity holding.

Customers

Businesses may be patronised by government, private enterprise, individual expatriates, villages and other Papua New Guineans. Few firms rely entirely on one source of custom. Those which do include the two milk deliveries servicing an almost wholly European clientele, and the footwear manufacturer supplying larger expatriate and Chinese retail stores. Thirteen businesses undertake contracts for government departments and for many the value and volume of work from this source is by far the most important. More firms obtain work from private enterprise but this is generally of more limited extent. Fifteen get some work from individual expatriates, 5 attract village custom and 10 are patronised by other Papua New Guineans.

Workers

All businessmen employ some labour but most (nineteen) are small firms with fewer than 10 men on the payroll. Four firms employ between 10 and 20 workers, five between 21 and 30 and two more than that. The largest employers of labour include a transport company, a painting contractor, several of the builders and the joinery factory. Six firms employ unskilled migrants in labouring jobs. Three businessmen employing migrants provide accommodation including in one case housing for married staff. Some kind of on-the-job training is given in eight businesses though in only two cases is this of a formal nature; one of the builders has as an apprentice-carpenter a kinsman of his wife and the youngest partner in a transport company is studying business studies part-time at the Lae Institute (now University of Technology).

The wages paid to workers vary according to skill and range from around \$7 a week¹ for an unskilled labourer to \$32 weekly for an experienced carpenter. Within the same job category, however, there is also a considerable range in rates of pay and contractors paid carpenters at rates of from \$20 to \$32 a week.

Most workers seem to be less formally organised than in larger expatriate concerns. In factories or on building sites employees, especially those with lesser skills, work on one activity though this is not generally a fixed task and there is scope for assigning different jobs to individual workers. Builders organise workers in gangs but each gang will undertake a range of work. This contrasts with the typical expatriate company where one man is restricted to one job and on a building site one gang does steel work only, another the pouring of concrete only and so on. (This policy was explained to me by a site supervisor of one of the large expatriate firms in terms of the limited retentive powers of Papua New Guinean workers.)

If one excludes those businesses where the principals employ no labour or casual labour only, twenty-two businessmen employ at least some wantok. Three of these claim that the presence of wantok in the workforce is incidental and that workers are recruited purely on the basis of skill. Eight small firms with fewer than six workers employ all wantok. Two building contractors, larger employers of men, hire outsiders only for unskilled labouring jobs and most jobs of responsibility in the major transport firm are held by wantok. One garage proprietor tried employing migrants from his home area but found these unsatisfactory and now employs outsiders. In only three concerns, all factories, do the bosses have a definite policy of not employing wantok. They say that wantok are liable to be lazy, work irregular hours and behave irresponsibly. The implication seems to be that a wantok assumes that any rights and privileges enjoyed in relation to the principal at home can as well be asserted at work. Certainly those businessmen who expressed reservations about employing wantok referred especially to kinsmen who took advantage of the multiplex nature of their relationship with a businessman kinsman. Other employers,

¹ At the time of the survey the urban minimum wage was \$8.50 a week.

however, stressed the benefits, the ease of communication that comes from a shared identity, the trust that can be placed in a kinsman wantok. And whatever the ideal described, it would seem that the recruitment of workers and their organisation in gangs frequently reflect a non-work patterning of relationships. The complex nature of the links may allow a boss to manipulate ties though probably only to a limited extent. Thus some businessmen from traditional urban villages see it as their duty to assist workers/wantok in building a new home in the village or in making a bridewealth payment for the marriage of a son. The principals of the painting contracting firm, members of tribal groups with relatively few advantages in education or technical skills, feel a strong obligation to find work for any wantok really down on his luck. In return, an employer feels he can expect loyal service and support. The relationship is thus a reciprocal one. Even so, for many the role is ambivalent. The accumulation of wealth and success in business may arouse jealousy. Dispensing benefits and securing the support of beneficiaries may heighten rather than offset the ill-feeling. Some, like the building contractor described below,¹ do not find the balance and fail.

Managers

Management entails more than handling relationships with workers. Furthermore previous job experience generally provided an inadequate training for management, although thirteen businessmen had worked in administrative positions in government or private enterprise. Five of these are young men educated at secondary schools in Papua New Guinea or Australia, three having since undertaken courses relevant to their jobs. Included in the thirteen is the business-woman who has had a varied career in paid employment and has been active in many service organisations. The others have a limited education but longer practical job experience. Moreover, one man undertook correspondence courses and one worked for a licence as a customs agent. Three have had experience in the co-operative movement and attended night classes in book-keeping.

The other twenty-nine businessmen have experience only in their trade. Several carpenters and the joiners had previously held positions of responsibility but that is all.

¹ See p.187.

As a consequence, many experience difficulties especially in such matters as inventory control, the handling of indebtedness, plant management and work flow, and the calculation of tenders. The extent to which particular businesses are subject to these problems depends in part on the nature of the business and the state of the market. With a rapidly expanding demand it is easy for most tradesmen to obtain work; it is also easy to over extend resources (Hutton 1968: 8). Even so these difficulties may be minimised for businessmen working in close association with the DBD or the DB. Such assistance often reflects a considerable degree of involvement especially for DB officers.¹

Nevertheless, in only two cases was attention given to local circumstances in planning the production processes and in general management. The first example is Strongbuilt, the furniture factory established by an expatriate, a former resident of Indonesia with considerable experience in steel fabricating. He deliberately geared the factory to what he considered were the needs of the local economy: the use of simple machines and processes developed in the factory, the utilisation of unskilled labour and the marketing of a sturdy but inexpensive product. The plant was favourably assessed by the DB engineering consultant who noted that the expatriate adviser had

assisted the indigene principals to establish a steel furniture manufacturing line of quite commendable efficiency. The main procedure consists of fabricating steel furniture to Government Stores requirements from square steel tubes. The process line consists of a cross cut steel hack-saw, hand bending machines and welding equipment. Finishing is undertaken on a home-made belt finishing machine. Acid descaling, phosphatising, paint spraying and open drying of a rudimentary type is available. In all the processing line produces a quite satisfactory article finished to a reasonable standard at a commercial operating cost.²

¹ Individual staff members have chased up contracts for painting firm, delivered milk on suburban runs, acted as truck driver for the joinery, and interviewed candidates for jobs.

² DB Strongbuilt file, 12 September 1972.

Similarly at Ngaio Industries, the paper processing plant, use is made of simple cutting machinery discarded by more sophisticated factories, and finishing and packing are done by hand. In this case, however, the cost of production is fairly high and comparable imported articles retail more cheaply.

Both plants contrast with another furniture factory where the layout and processes are much less well geared to production runs. As the DB consultant noted:

Both metal and joinery are given over principally to repair and reconditioning of furniture for Government Stores. The company seems to be well organised for this class of work but lacks the technique to establish a manufacturing production line.

Steel furniture is being constructed on a 'one up' basis but the quality of the finished product is poor and the operation is relatively inefficient. Of particular consideration in the commercial sense is the lack of descaling and phosphatising and priming in the finishing sections....

In other respects Mr...has established a good plant. His welding equipment is satisfactory for light welding such as automotive work and the fabrication of furniture, garden equipment and the like. He does not however, seem to have the capability to organise a production line. It is probable that more success would be achieved in the long run by channelling his efforts into repairs, servicing and 'one up' construction of small timber and metal units rather than endeavouring to extend the steel furniture fabrication line as a principal product division of the industry.

Notions of business

In part, attitudes towards workers and production reflect the businessmen's ideas about business. Younger men and other businessmen with sponsors identify most closely with Australian models. They see business as a means of achieving a different life-style, with a modern home in the suburbs, a car and money to spend on luxuries (Morea 1969). These businessmen think in terms of reinvesting in their business, of making it bigger and more profitable.

More widespread is the view of business development as a process of diversification. Businessmen in Port Moresby aspire to a whole range of new activities including wholesaling, fishing, chicken farming, building, market gardening, the manufacturing of coconut fibre and rubber latex cushions, the renting of freezer facilities and the operation of tea rooms and a tavern. Since the stated preference is also to keep ownership and control vested in one man it would seem problematical to account for this desire to expand into often unrelated fields and so far as I am aware it is not a trend common elsewhere. A number of factors are relevant. In Papua New Guinea businessmen have frequently found that their development in one field has been blocked at a certain stage by external constraints such as a change in the policy of the expatriate firm granting work. Related to this may be an insurance aspect: for them business is full of uncertainties and multi-interest concerns may afford a measure of security. Thirdly conspicuous expansion in one field may well make a businessman particularly vulnerable to criticism. Finally, the successful management of a complex and varied business 'empire' seems to have a positive attraction. Businessmen enjoy having lots of little interests. Men who have already engaged in several activities are proud of their multifarious achievements and businessmen whose skill necessarily restricts them to one field such as building, rate highly the number of contracts they have underway at any one time.

Ambitions of this sort, whether to reinvest for a bigger and better business or to develop a multi-interest concern of many small businesses are related to the notion that business accords a high social status comparable to that of a traditional big-man. The wealthy businessman can secure followers by his money, the businessman with many interests has perhaps more scope for manipulating people, goods and services. He is an independent operator and that too is considered desirable. Partly related to the idea of independence and big-man status is the high value placed on business because it allows a man to support community projects, the church and other worthy causes. Such a display of social concern is felt to be appropriate to a big-man business leader. The idea of attaining high status through business is a most important motivating factor for businessmen. In some cases this is not without its cost and a few of the experienced businessmen expressed the feeling that business is 'lots of worry' since in

comparison with his European counterpart, there is much that is beyond the Papua New Guinean's grasp.¹

Business and the wider world

Something of the ambivalence in roles which Port Moresby's businessman plays has already been noted. In the traditional urban villages he is a man of high status, partly because he is independent and successful in a wider, still alien world. A business shows that the 'bisnisman' understands how to take advantage, for his own gain, of the newly established cash economy (Ploeg 1971b: 59). Yet in that business environment his success is not marked and for support and assistance he has to approach the BPC or DB. There he is reasonably sure of a hearing and possibly more active support for the officers are expatriate and have a knowledge which he does not. At the same time he provides the BAO and DB officer with a raison d'être and the prospect of earning kudos through a successful promotion. The businessman and his sponsor may be featured in press or radio. By turns the BAO and DB officer may provide an external reference point, an alternative model, a scapegoat. Businessmen may also identify with their patrons or promoters. Again this is a two-way affair. At a time when other businessmen express fears of reprisals, the promoter or patron expresses feelings of security through a closer identification with local interests. These are some of the perceptions a businessman takes home with him and to which he points from the perspective of the village. In the traditional villages businessmen have a standard of housing and a life-style that is little different from that of their fellow villagers. Equality in a behavioural sense is looked to as an ideal. There are strong community pressures against 'big heads' as opposed to 'big men'. The dividing line between censure and admiration is not very wide. Nevertheless, the businessman at home is expected to entertain visitors hospitably and to give generously in family or more public displays of wealth. Moreover, he himself takes pride in being able to meet such expectations. Success - here acceptance and commendation - depends on a fine balancing of roles containing social strains. And sorcery is a real threat.² In this respect

¹ Cf Mazrui (1967: 137ff).

² See pp.82-3. (Cf Parratt (1970b: 16))

the position of the younger men from traditional urban communities will be interesting to follow. For the present they adopt what they see as a progressive and modern stance; they are also contributors to rather than initiators of public events.

Migrants to town also live modestly in low-covenant houses. There is little to distinguish them from other urban dwellers. Their status in their home community is usually high so long as they remain afar. On visits home admiration is likely to be tempered by the presence of older, respected village leaders.

Conclusion

If there can be said to be a literary culture and a scientific, there must certainly be a business culture in which it is necessary to be able to define money, recite a selected passage of company law and to be inward with the Banking Act of '45'. The men going home in the dark belonged to none of these cultures. (Ireland 1971: 162ff)

In Port Moresby there is no indigenous business culture; indeed there is no cohesive group of indigenous businessmen. The business culture is an alien one and a few individual Papua New Guineans have attempted to adjust to it. Thus, Papua New Guineans, while members of a society in which commercial enterprise is only slightly developed, have tried to make use of avenues opened up by the existence in the same territory, of another social system in which commercial activities are highly developed. The nature of the individual adjustment is influenced by personality type as set forth by McClelland, by the social organisation of the businessman's society as characterised by Parsons, and by chance events. The latter category may be taken to include policy decisions which impinge on the activities of members of the different cultures. In Papua New Guinea the political elite until recently has been a colonial elite, promoting expatriate companies in an Australian-oriented economy. Within this context policy has enabled some Papua New Guineans to take part in the modern business culture, firstly by providing them with the attributes which other members of this culture already have, and secondly, by on occasion slightly biasing other parts of the system in their favour. Further participation depends on the determination of the new political elite to encourage or discourage entrepreneurial activities, to develop a Papua New Guinean business culture.

With this proviso, the findings of the present study can be discussed under three headings, business, businessmen and bureaucracy.

Business. In Port Moresby there are few indigenous owned and controlled businesses; they are limited in the range of activities undertaken and small in their scope of operation and employment of labour. These characteristics reflect the wider business culture of the town. The size of the firm and the numbers employed seem to be fairly typical but the range of work undertaken contrasts markedly with the situation in some other developing countries. In 1966-67 in Tanzania there were approximately 100 entrepreneurs in small industries particularly soap manufacturing, laundries and dry cleaning, and chemical production, with fewer in precast concrete articles, plastic goods, paint manufacture and aluminium wares. These industrial enterprises employed on average ten workers. In addition there were some 1,600 independent craftsmen, working mainly in the fields of tailoring and woodworking and giving employment to, on average, three workers (Schadler 1970: 251). In Eastern Nigeria there was even greater diversity with products in the small industry sector ranging from clothing, footwear, mattresses, travelling bags, jewellery, biscuits and soft drinks to household utensils, wood and wrought iron furniture, bus bodies, agricultural tools, nails and machinery. Services included photography, motor vehicle maintenance, dry cleaning, and repair of shoes, radios, clocks and bicycles. Only 3 per cent of the firms in the survey, or 332 of 10,728, employed ten or more workers (Kilby nd: 5-8).

Such development has been stimulated in part by a less rigid adherence to 'standards'. In Papua New Guinea the legal frameworks, the building codes for industrial and commercial premises, the regulations concerning labour are all on the Australian model. This may be compared with the practice in Nigeria where country councils may set aside undeveloped crown land for lease to businessmen at nominal rentals. The businessman is then allowed to erect premises suited to his purpose and as a consequence most firms are housed in raffia sheds, corrugated iron huts or market stalls (Kilby nd: 8, 10). So far as labour is concerned, many Nigerian businessmen rely on apprentice labour in a system where an apprentice pays a premium fee of from £5 to £15 for a three to five year course during which time he receives some training and remuneration in the form of pocket money, subsistence or the use of facilities for after-hours work (Kilby nd: 11).

Moreover in Papua New Guinea not only is it necessary for a business to comply with all manner of regulations; doing so often entails considerable capital expenditure. For most businessmen this generally means recourse to the DB and subjection to a formal set of checks and controls. Again this may be contrasted with Nigeria where the most common method of financing a business was from the individual's own resources (Kilby nd: 12). In Ibadan 60 per cent of all entrepreneurs were helped to establish themselves by parents and relatives (Lloyd 1967: 160).

Businessmen. It is not surprising that those who have attempted to adjust to a business culture have been men from traditional urban villages in Port Moresby, or migrants from areas with a relatively long history of contact with the town. The migrants married and settled with their wives in the town; acquired and found employment on the basis of some kind of trade skill. Port Moresby's businessmen are all fairly familiar with the alien social system.¹ However, even for them the experience was necessarily limited by restrictions regarding Papua New Guineans in town, and by the lack of a rich hinterland enabling a progressive kind of involvement in the modern market economy.² As a result it may be that 'in their attempt to operate various strategies individuals continually commit errors because of such factors as their misperception through lack of information or miscalculation, i.e. information incorrectly handled' (Kapferer 1969: 225). This consideration is relevant in accounting for the absence of entrepreneurs in Port Moresby, the predominance of businessmen and the prominence of others categorised here as patrons, promoters and sponsors: these are strategies that may effectively minimise mistakes.

The modest affiliation of Papua New Guineans with a sophisticated market economy and the stress placed on conformity to alien models is reflected in the educational standards of Port Moresby businessmen. These are generally higher than the standards attained by comparable age groups in the population as a whole and are probably higher than those reported by researchers elsewhere. In Ibadan 64 per cent of entrepreneurs had no formal schooling (Lloyd 1967: 160). One survey in Nigeria recorded that the average

¹ Cf Economist Intelligence Unit (1972: 16).

² Cf T.S. Epstein (1968).

educational level of entrepreneurs was no higher than that of the total population though in firms employing eight or more workers the educational level of the proprietor was higher than average (Nafziger 1970: 358). Another survey in Nigeria reported that only 10 per cent of all manager-owners had any post-primary schooling and 19 per cent had no formal education (Kilby nd: 15). Among Port Moresby's businessmen most have some education, generally to primary level; despite the attraction of employment in government service some young men with secondary education have also been attracted to business.

At the same time the desire to emulate does not result in mere imitation. Perhaps already it is possible to discern the beginnings of a Papua New Guinean business culture, especially in such matters as perceptions of business and the relation between kin and community obligations and business.

Papua New Guineans appear to be attracted to business for the independence it gives, for the greater freedom to engage in a range of extra-business activities, thereby perhaps securing prestige and status as a respected big-man in the community. Status and prestige in community terms may be expressed in terms of benefits conferred. 'Public service may be as important an objective in his make up as private gain.' (Belshaw 1954-55: 158) In the words of one indigenous businessman:

Business is a way of improving the body, Christianity the way of improving the spirit. The two should go together and this means that a businessman will look back and take care of his people and they will return that care. If he fails to do that they can say all his words are bullshit and he can expect some misfortune to befall him.

This is not to say that businessmen do not want to become wealthy; rather that the income from an investment is less important than the total flow of goods and services generated. This may also account for the tendency to diversify interests: a multi-interest concern enables a businessman to offer a greater range of goods and services, thereby perhaps pleasing a greater number of people. This mix of motives is well expressed in an essay set to assess student attitudes to business.

If I had £500 I would start my own business. I would buy a coffee plantation and a trade store and later if I make a big profit, I would buy a truck or two. These trucks will go down to Lae and bring the goods there to here. If this works well, I will buy some more trucks. Later I will make a small coffee factory. When this has been done and if I think I have enough money I will buy a Cessna to carry passengers around. When this has been done I think I will be quite a rich man. Then I will travel around the world as a tourist....And to make people remember me I will give some money to the PWD and they will build a small hospital. In this way I think people will remember me and what I do to improve my country. (R.S. Finney 1971: 72-73)

The idea of acquiring prestige through business comes not from having wealth but from the appropriate channelling into community service of the time and resources made available by financial independence. This is the most important factor motivating a Papua New Guinean and determining his outlook on business. The young moderns are more attracted by wealth per se and the status that confers in racially mixed social groups but they too are prepared to assist with the payment of school fees or electricity bills. Certainly there seems to be little correspondence between religious affiliation and conviction and success in business as found among Jehovah's Witnesses in Zambia (Long 1968: 215ff). Nor was there any strong indication of self-justification in terms of the protestant ethic of hard work. 'The first qualities of a successful businessman are capability in what you are doing, sincerity and honesty - and dissatisfaction. You should never be satisfied, even if you have repaired twenty cars today. Satisfaction is a hindrance of progress. Whatever I do, my desire is to do more...' (Marris and Somerset 1971: 83). In contrast to this African counterpart, the Papua New Guinean businessman is more likely to express dissatisfaction with aspects of a system, especially of government departments, the workings of which are beyond his control. These impersonal factors may, in his view, hold him back; there is little he can do as an individual to overcome the problem and as an independent operator and leader he is unlikely to combine with others similarly placed. The traditional big-man status which attaches to success in modern business activities may be at once a source of strength and weakness. A. Strathern writing of

a highlands entrepreneur,¹ noted that he was assisted from within his own community by contributions of labour and capital and that his major sphere of buying and selling operations was through the same group of people. At the same time Strathern reports that rivalries sprang up around the entrepreneur who was forced to take precautions in travelling and in accepting hospitality. In this case the organisational model clearly derives from patterns of big-manship and this in itself implies a context of jealousies, tensions and opposition. Similarly, B.R. Finney (1969; 1970) related his analysis of Gorokan bikfela man bilong bisnis to the high potential for entrepreneurship which he considers to be latent in the traditional status system with its stress on individual achievement. Salisbury (1971: 271) has related the group nature of business enterprises on the Gazelle Peninsula to existing forms of social organisation. More generally, Nadkarni (1970b: 6) stated that 'the social system is favourable to the growth of business enterprise' though, contrary to the writing of researchers like Finney, he claims that there is also an 'absence of various psychological orientations required to be a successful entrepreneur.'

There is the same disparity evident in the ideal and actual relations between employers and workers, especially kinsmen as workers, and in the way in which patterns have been interpreted in Port Moresby as elsewhere. Businessmen themselves offer various assessments, some favouring the employment of kin, others forbidding their presence as workers on the factory floor. A report from Kenya claims that

workers are recruited impersonally to suit the job, at rates which reflect the state of the labour market. The employers concern with the welfare of his employees extends no further than the interests of the business....Most businessmen clearly did not want to base their working relationships on family connections: kinship was either irrelevant or a nuisance. (Marris and Somerset 1971: 115, 139)

However, in Uganda it was noted that kinsfolk strongly identify with a businessman and expect to share in the profits (Laumer 1970: 389). A survey of 15,745 industrial establishments in Calcutta showed that 78.5 per cent employed more than 50 per cent of family labour to total

¹ Post Courier, 26 May 1971, p.5.

labour (Pieris 1969: 65). As in Port Moresby, the Calcutta small firms are characterised by face-to-face relationships with little functional differentiation between employer and employees. (Pieris 1969: 69) On the other hand, many Nairobi businessmen refuse to employ relatives because as workers they tend to be undisciplined and irresponsible (Marris 1968: 21). Whatever the practice, the explanation may be simply that individual businessmen adopt strategies allowing the 'best' balance of old and new in a particular circumstance. Certainly

where patterns of family life...seem to inhibit the exploitation of economic opportunities it may not be because of attachment to outworn traditions but because these patterns offer the greater security. Family structure seems more typically to reflect a realistic calculation of economic advantage than to sustain irrational inhibitions. (Marris 1968: 20)

It is difficult to gauge whether and to what extent this generalisation applies to Port Moresby. It would, however, appear a relevant consideration especially since Papua New Guinean businessmen have little choice but to seek recognition and psychological support from within their own social group.

Bureaucracy. The perception of officials, whether policy-makers or implementers, is at variance with the Papua New Guinean models as these are presently taking shape. The expatriate model of business incorporates competitive and expansionist tactics on an individualistic basis. To some extent the field officer's desire, to foster these traits in his client may accord with the latter's goals. The businessman too may want to expand, for prestige or because there is a market capable of absorbing more than his present output. This response will be encouraged by the field officer but the result may well be something neither counted on: management of the business at some stage becomes functionally specific and at that point the firm may be too large for the owner to cope with. It is difficult to predict just when the second stage is reached. It has been stated that groups which do not exceed twelve members can function as unstratified work teams. At that stage management is subsumed in the relationships within the firm and the small circle surrounding it. Beyond that a specialised supervisory function becomes necessary in order to ensure the efficient working of the enterprise (Pieris 1969: 10). This new management input is a key factor in the development

of particular business concerns. Indigenous businessmen in this situation are seldom equipped to cope and the lack is supplied by field officers in the DBD or DB. Then dealings with suppliers, architects, customers, and other officials tend to be between these representatives and the officer. In the past this has ensured ease of communication between an expatriate group, immediate and 'correct' decision-making. The official is at his desk or within easy reach of a telephone. The businessman may be difficult to contact or reluctant to make an on-the-spot decision, especially one that he fears would be contrary to that expected. This becomes a vicious circle, countered in part by the fact that there is a fairly high rate of turnover in field staff owing to transfers and resignations. Field officers, moreover, generally show 'a certain lack of enthusiasms for non-Australian solutions' (Economists Intelligence Unit Report 1972: 81). The officer is not helped by the lack of training and by the fact that policy and the mechanism for implementing it have not been worked out. There is little co-ordination and little relationship between realities on the ground and policy pronouncements.¹

It will be clear that coming to belong to an alien business culture is a complex process. The variations in individual responses both within the narrower confines of Port Moresby and in the broader range of experience in other developing countries provide a caution against postulating either a single explanation for lack of participation in the money economy, or a simple 'solution'. The evidence of the present study merely provides a few pointers. In Papua New Guinea, policy regarding business development has been devised within the framework of an Australian model of business. Papua New Guinean businessmen attempting to make the grade on these terms have felt their progress hampered by certain aspects of the policy, themselves frustrated by a lack of power. Policy has not taken into account the perceptions, aspirations and expectations of such businessmen and in this respect policy has failed. Should government decide that the fostering of entrepreneurial abilities in individual Papua New Guineans is to be promoted, then flexible policy directives are needed in order to allow the emergence of a truly indigenous business culture.

¹ Cf Vente (1970: 27); Esseks (1971).

PART II

CASE STUDIES : BUSINESS DEVELOPMENT IN PORT MORESBY

Chapter 3

Beginners in business

...I consider that the people of Papua and New Guinea should be given opportunities to run hotels in order to earn good income...it would be far better to encourage our people to establish sound business where they can benefit from them and improve their future living conditions. This is what I consider the better means of obtaining good income....We do not want to wait for ten or twenty years; we want something to be done now....We want to see all levels of business equal with not one person being richer than his neighbour. This is what I really hate. We must also see that education and business development develop together, and the participation in business affairs must be equal....We hate to see one person richer than another and this is what people of Papua and New Guinea strongly reject. (Mr S. Kurondo, H.A.D., vol.II, no.7, p.1896, 11 November 1969)

The dilemma given expression here by a highlands politician was, for Port Moresby's oldest established businessmen, particularly acute. These men became independent operators in the service fields of transport and retailing when there was no official promotion of indigenous business interests. For them a major issue has been the definition of acceptable roles both in terms of their participation in a 'modern' business organisation and a 'traditional' village home. The requirements of the one would appear to lead to the kind of situation disparaged by Kurondo, the pressures of the other to induce conformity to village life-styles. All of these men, now established figures in their communities and in commerce, have worked out a balance between the demands of business and the realisation of a 'good income' and 'improved living standard' on the one hand and those of kin and community and their ethos of egalitarianism on the other.

Port Moresby's first indigenous-owned businesses were established in a socio-economic environment that can only be described as inimical to their development. The men who

seized the few opportunities that were available were remarkable for their ability to act independently and to forcefully assert themselves in new fields of economic activity at a time when few Papua New Guineans had confidence in their own ability to initiate action in an expatriate town, to move beyond the narrow confines of their own almost wholly indigenous social environment. Many early innovators bought ex-army vehicles at Administration auctions but few such businesses survived for very long. Finance for the purchase was obtained from clansmen and the venture lasted only as long as the truck needed no major repairs. Many rusting wrecks still stand in villages such as Hanuabada, in mute testimony to the hopes and ambitions of would-be businessmen. These did, however, show the way and the longest surviving local business in Port Moresby today is Mirikuro Transport, a trucking firm founded in 1960 by two brothers, Moses Rei and Walo Rei. This chapter comprises a detailed case study of this business and its wider context. The development of five other businesses is then traced more briefly. All businesses were established by men from traditional Motu/Koitapu villages. In a third section I will draw comparisons and analyse the broader themes which arise from these accounts.

Mirikuro Transport

The data in the case of Mirikuro Transport may be divided into three main strands, firstly the personal backgrounds of the partners, secondly, the history of the company, and thirdly the relationships of these men with their kin and community, Porebada village.

Personalities. The eldest of the brothers, Moses, was born at Porebada about 1926, the first born of four children of a subsistence gardener and an elder of the Gunina clan, one of the major clans in the village. Walo was born about two years later. Both were educated at LMS schools, first at Porebada and then at Hanuabada. Walo recalls that at the time only five students went beyond the elementary Porebada school. Even at Hanuabada standards were low and Walo left in 1944 having completed grade six, after only four years of formal education. Most of the brothers' education came on leaving school, informally and from on-the-job training. In 1952 the two attended night classes in book-keeping organised by the administration.

Around 1940 Moses joined the Public Health Department as a clerk, attending to incoming correspondence and filing.

He became the first Papuan public servant when the Auxilliary Division¹ of the service was established and because of his relative seniority came to know many senior expatriates in various departments. In 1960 Moses resigned to commence business. Walo started work in Port Moresby as a messenger in a government department but after a year, in 1946, Moses got him a clerical position in the Health Department. For six months of 1952 Walo worked in Madang with another government department and on his return to Port Moresby joined the co-operative movement, until 1960 acting as assistant secretary to the secretary of the Central District Native Association. As part of his duties, Walo went on patrols through much of the Central District, giving advice and providing accounting services for co-operatives in the area. Following this he was for a short time acting as book-keeper for the Porebada Native Society, a position he had formerly held in a part-time capacity for many years. In 1955, as a co-operatives officer, he was sent to a conference of the movement in Brisbane, Australia.

Making a business. Walo recalls that it was after this trip that he thought he and Moses might try to develop a business themselves. At first they planned to utilise the natural resources and traditional skills of village people by setting up a fishing venture on a commercial scale. They organised their clan for this purpose and participated themselves on a part-time basis. The catch was sold in the village and at Hanuabada. In 1959 the two men applied for a loan for more equipment, especially a freezer, for the expansion of the business. After nine months they were advised informally that a loan would not be approved by the

¹ Until 1958 the public service proper was staffed almost exclusively by Australians and indigenes were employed as Administration Servants in minor skilled and unskilled jobs.

Planning began in 1953-54 for the creation of a new Auxilliary Division, to enable increased participation of indigenous people in partly skilled, technical and clerical work in the Administration, to provide in-service training to standards qualifying for entry to the established Divisions, and ultimately to give them scope for higher advancement in those Divisions. (Parker 1966: 207)

In 1955 the service was open by competitive entry to indigenous people.

Native Loans Board.¹ Consequently they changed their application to one for finance of a vehicle. Again four or five months passed with no result although by now the brothers had themselves saved \$800. They decided to approach the Administrator and Assistant Administrator directly and within a few days their application for a loan of \$6,000 was approved.² Immediately both men resigned and purchased from the government a large second-hand truck. Today the firm's assets include its headquarters in Hohola, with offices, a workshop and bowser and some accommodation for married staff. In the same area the company leases another block of land for a sand and gravel storage yard and timber-cutting facilities, with accommodation for single staff. Additional housing for married staff is available in the low-covenant housing suburb of Sabama. On work days, fifty workers (February 1972) report to the office and from the yards move out to deliver orders of sand, gravel and firewood or to undertake general cartage contracts around the dock area where the company also has forklift for hire. The original company activity, that of transporting workers from Porebada to Port Moresby and return, was expanding in early 1972 with the purchase of two passenger trucks for use around the town.

Such development has from the very beginning not been without its problems. A condition of the original loan was that the road to Porebada be improved so that it could take motor traffic. The two partners worked with other villagers to bring the road up to the required standard. For the Administration there was a double benefit: with a road to Porebada and a transport service operating from the village, public servants could commute daily, thereby releasing accommodation in town for workers from outlying areas. Even in the early stages, in addition to the passenger transport business, Mirikuro sought carrying contracts. The personal ties Moses and Walo had with senior expatriate public servants helped in this regard. In particular two officers, at some time Moses's superiors in the Public Health Department, arranged interviews for him with people able to

¹ The board held in trust money accrued from the profits of war-time canteens. This money was supposed to be available for any worthwhile venture but those administering the funds were reluctant to lend for any purpose. (Personal communication: Dr Gunther, former Assistant Administrator.)

² NLB letter, 7 October 1960.



Plate 3. Some of the fleet and workers of a transport company

assist such a business. Mirikuro's first big contract was to supply the Administration with firewood. Through Walo's association with the movement they also obtained some work from the co-operatives. Business prospered. After three months they bought a second truck under hire purchase agreement from a private company with a guarantee from the Native Loans Board. After nine months they were employing five labourers and themselves worked for long hours seven days a week.

Four years after commencing operations, in 1964, the company owned six commercial and one private vehicle, all financed under hire purchase agreements from finance companies. The company was reported to have thirty employees, some from Porebada but others from such places as Abau and Chimbu. Three relatives of the partners were then employed, one as a clerk, and two as drivers. The drivers were foremen and were said to inform Moses and Walo of the feeling among drivers and labourers. At that stage it was stated that the brothers preferred to employ workers

from villages other than Porebada because such 'outsiders' feel they are working for someone who is 'foreign' and do not expect favours. In 1964 drivers of tip trucks were paid \$13 a week, those on flat tops \$12 and labourers were paid \$3 a week. Employees were trained how to use petrol and oil and how to load and unload trucks. At that stage the partners thought in terms of developing a block of land at Hohola, building a workshop-garage and a tradestore to serve workers and the rapidly expanding population moving into this new residential area. Such developments required a steady flow of work and the partners advocated that contracts in the range of \$1,000 to \$6,000 should be on a restricted tender basis for Papua New Guinean businessmen.¹ At that time this policy was politically unacceptable and Mirikuro opted for expansion on terms they hoped would be competitive with their rivals. In October 1965 they successfully applied for two blocks of land in Hohola. They first built a small office and in 1966 erected the present workshop and single staff accommodation. At the same time four houses were built on residential blocks at Sabama for married staff. By that time the company's workforce numbered approximately forty.

This pattern of steady development was shattered in 1967 when Moses together with a young woman from Hanuabada, was murdered. An intensive police search followed but the investigations 'failed to produce a weapon, a motive or a valuable clue as to the killers' identity.'² As recently as January 1971 police reported receiving further information on the case but no findings have since been disclosed.³ Meantime Moses's own family disclaim any knowledge; others are not so discreet and all manners of explanation are put forward by the town's people. According to one prominent European resident, the brothers were the most hated men in Porebada because they tried to make business in a businesslike way. Jealousy therefore seemed a most likely motive. Other Papua New Guineans expressed similar views by saying that Moses was too ambitious, and that his success aroused the envy of many.

¹ Department of Labour, research and planning file 45-3-1, report of interview with Mirikuro Transport, 23 July 1964.

² South Pacific Post, 30 June 1967.

³ Post Courier, 26 January 1971.

Moses died intestate and the distribution of his business assets was legally a complicated matter. His was the first major Papua New Guinean estate where the assets of the deceased were not of a customary kind. The legal position is ill defined by existing legislation and the Supreme Court handed down a decision only to the effect that the estate should be dealt with according to native custom. Subsequently power to administer was granted to the Public Curator.

In fact, the matter was simply turned over to the family for them to decide on what they considered to be a just settlement. The Administration intervened to the extent of setting times for two meetings and arranging transport for all interested persons to a meeting place in Port Moresby. Two government officials were present at these meetings. A genealogy was placed on display and all claimants were allowed to address the gathering. Initially a series of claims was made. One was represented by a prominent politician for a group of Trobriand Islanders, relatives of Moses's first wife. The second wife made no claim for herself or her children. The third wife, supported by kinsmen from Kapakapa, made strong claims for herself and her children. The partner's father's sister's eldest son was the spokesman for claims made by that section of the family. At the end of the first meeting those present were told by the officials to reconsider what had been discussed in the village and to prepare a settlement for a second meeting held a week later. On that occasion the Trobriand Islanders declined to press their claims. A section of the partner's own clan decided likewise on the grounds that the estate was a business and not a family affair. The first and third wives each received personal effects and the eldest sons of the second and third wives were allocated small shares in the business. The two government officers involved claimed not only that a general agreement was reached at this meeting but that considerable trouble was taken to ensure that¹ the feeling of the meeting represented a genuine consensus.

However, notwithstanding this settlement, the Public Curator claims that his office was besieged by beneficiaries declaring they had not received their due. Finally he and another government officer went to Porebada where they found the whole village in a very angry mood and themselves the subject of threats. Ignoring these, they lifted all chattels out of the house, assigned them to the rightful recipients, and left.

¹ Personal communication, 26 November 1971.

A further complication arose when the company's books were scrutinised and it was found impossible to readily assess the value of Moses's share. A firm of public accountants found that the business had never paid tax. The Commissioner for Taxes lodged a claim for \$13,000 which, after negotiation, was reduced to \$3,000 from Walo and \$4,000 from the estate.¹

Since 1967 those in the business and the development of the business itself have continued to be affected by the tragic events of that year. Shortly after his brother's death, Walo developed a swelling in one leg. This subsequently went down but the limb remains prone to periodic ulceration and swelling, gives considerable pain at times and today Walo walks with a limp. Villagers feel his disability is the result of sorcery and Walo himself blames the application of poison to a footprint left in the sand at Porebada. Over the years he has consulted numerous 'custom doctors' and paid protection money to known sorcerers, always to no avail. He relates his illness directly to the business, saying that by weakening his body his antagonists weaken his capacity to carry on a strong business. Recently, on my suggestion, he sought medical advice. The preliminary diagnosis of localised muscle wastage due to nerve loss to the limb almost certainly rules out psychosomatic explanations. Others connected with the business also fear sorcery attacks and the long, isolated road to Porebada is felt to be fraught with dangers. Few will venture out alone at night and spells may be used to render harmless the powers of potential evildoers.

Immediately after his father's death, Moses's son John Moses left school to take his father's place in the company. However, he was considered too young at twenty to assume a senior position and the brother's youngest brother, in response to family pressures that management assistance be given to Walo, left his job of school teaching and also joined Mirikuro. Now Walo says that his youngest brother was unable to withstand the pressures of business and so in early 1970, returned to teaching. The latter

¹ Personal communication: Walo, December 1971. From 1966-67 the company's books have been subject to an annual audit by the same accountants and fairly complete records regarding business operations and the workforce are available from this time.

claims, on the contrary, that he enjoyed business but felt that he was given insufficient responsibility, that whenever he or John Moses wanted to participate more actively, their offers were rejected. On the one hand, Walo complained that everything was left to him. His brother further claims that a dispute arose over the need to replace many trucks which were in poor condition by 1967. He advocated a new buying programme but Walo was opposed, believing at the time that new trucks would be all too conspicuous signs of wealth.

In early 1970 the company moved into new offices on the Hohola site. An application to the DB for a loan for this project was refused and finance was raised by building a combined tradestore and office block and leasing the store to a Chinese businessman, who in order to secure his tenure agreed to pay three years' rent (\$2,880) in advance. Since then the company has also embarked on an extensive replacement policy and of the present working fleet of 24 trucks, 8 have been purchased within the twelve months ended February 1972. All new vehicles have been financed by hire purchase agreements through private finance companies.

Workers. At present the company is fully under the control of the major shareholder, Walo. He makes day-to-day decisions, hires and dismisses workers, and assumes the major responsibility of obtaining work. In the office he is assisted by the company secretary and the dispatch clerk and time-keeper. The former, a contemporary of Walo's, had a limited primary education in Hanuabada, and while working for various government departments attended the co-operative school night classes. Subsequently he was offered a job in the co-operative movement as trainee co-operatives inspector. Upon completion of the course he was sent in 1948 on a three-months' study tour of Australia. On his return he became co-operatives inspector for the Central District and was the Papua New Guinea delegate to a South Pacific Commission conference on co-operatives held in Fiji. From 1955 to 1958 he worked as secretary to the Central District Native Societies Association and it was during this time that he and Walo worked together. He then held positions with a number of private companies in Port Moresby before taking up the job of manager of the wholesale division for the Kundiawa Coffee Co-operative. In 1968, when he returned to Port Moresby, Walo offered him his present position with Mirikuro. The dispatch clerk, a few years younger than Walo and the company secretary, has a similar record of attendance at a church primary school followed by night classes and work in

the co-operative movement. After a dispute over the finances of the co-operative society in his home village, Pari, he resigned his job as part-time secretary of that society and book-keeper with the Federation of Co-operative Societies. In late 1967 he was unemployed and was recruited to Mirikuro by another Motuan then working with the company. Filing and correspondence is done by the company's only permanent female employee, a young school-leaver from Porebada. The younger partner, John Moses works at times in the office and at times driving when he also acts in a supervisory role. Walo recognises that John will eventually assume a prominent position and has sponsored him on tertiary courses in business studies. Meantime the younger man would like to have more responsibility though, because of the respect that he feels should be accorded to an elder, will not voice these ideas.

Outside the office are mechanics, labourers, saw operators, drivers, and for short periods when the company was building staff accommodation, carpenters. Records for the total workforce date from 1966. These have been analysed with Walo's assistance. Several points should be noted here. Firstly, the data, while based on records, present the employer's view of his workforce. This may mean there are some inaccuracies and also there is a lack of consistency, some origins being given in tribal, others in geographical terms. This naming suggests that a businessman's sense of social distance from his workers may be related to the geographical distance between the worker's home area and that of his boss. Thus workers from nearby areas are generally identified as belonging to particular villages or hamlets; workers from further away are referred to by District and still others by a broad term such as 'New Guinean'.¹ Mirikuro workers may be divided into three categories, those from the urban villages and suburbs of Port Moresby, daily commuters from outlying villages, and migrants. Over the period June 1966 to November 1970, of the 385 workers employed, 181 are migrants to the town, 32 Port Moresby residents, 126 daily commuters and 46 are of unknown origins (see Table 3.1). The average length of

¹ Similarly the responses of other major employers of labour; see Allied Enterprises (pp.114-22) and the builders (Ch.7). In all cases the same procedure was adopted of abstracting data from records on workers, job categories, periods of employment and wages and then obtaining place of origin in discussions with employers.

Table 3.1

Mirikuro Transport employees: length of service
by place of origin

Cluster	Origin	No.	Average			Range				To		
			Yrs	Ms	Wks	Yrs	Ms	Wks	Days	Yrs	Ms	Wks
Migrants	Kikori	7	3	1					28	6	7	2
	Gabadi	20		11	3				3	5	11	1
	Kairuku	5	1	3	1				28	4	6	2
	Hula	5		3	2				14		7	2
	Gulf D.	38		10	2				14	6	9	
	Vaimuru	9	2	5		1	2			5	10	2
	Kokoda	70		5					3	5	3	
	Abau	8	1	6					2	3	1	
	Goilala	1	3	11								
	Aroma	2		5		3	1				6	3
	Rigo	4	1		1	1				3	5	3
	New Guinea	12		6	3				12	4	11	2
Total		181		10	2							
Port	Hanuabada	20		11	1				7	5	2	
Moresby	Tatana	2		2	2	1	3				3	
Residents	Vabukori	2		9	2	5	2			1	2	
	Kilakila	1		1	1							
	Port Moresby	7	1	2	2	1	3			4	7	2
Total		32		11								
Commuters	Porebada	69	1	8					2	10	5	3
	Kido	4		6	2	1	2		1	1		2
	Kapakapa	3		4		2	2				5	
	Papa	9	1	2					3	3	5	1
	Pari	3	1	3	2	3	2			2	10	2
	Tubuseria	3	2	3		5	2			5		
	Kouderika	3		5	2	2					10	3
	Gaire	4		3					10		8	
	Boteka	2	3	11	2	3	4			4	6	2
	Boera	8	1	4	3				1	5	7	
	Doura	1		8								
	Lea Lea	17		4	2							
Total		126	1	4	3							
Others		46		2	1							

service for all migrants is 10.5 months, for Port Moresby residents 11 months, and for daily commuters 16 months. The Gulf District, Gabadi and Kokoda together account for 128 of the migrants. Most Port Moresby residents are from Hanuabada and 69 commuters come from Porebada.

Table 3.2 shows that most migrants (136) are employed as labourers and some groups are found on the payroll only in that capacity. Twenty-six migrants have been employed as drivers. With one exception, all Port Moresby residents have been employed in skilled or semi-skilled occupations as office workers, mechanics, drivers and carpenters. Eleven commuters have worked in the office, 9 in the workshop, 32 have been employed as labourers, 6 as saw operators, 32 as carpenters and 36 as drivers. Relatives have been employed in all job categories, many as labourers.

In twenty-one instances two or three workers from the same area began and finished on the same date. There were two other cases of six workers starting and leaving at the same time after working for periods of in one case three weeks and in the other five months. This pattern is typical of workers from Kokoda where, dating from when a Porebadan pastor was resident there, men have built up a special relationship with the company, walking down in groups for generally short-term employment (see Table 3.3). And individual workers from this area and elsewhere frequently return to the company's employ, sometimes more than once, after a period in other jobs or in some cases unemployment.

In November 1970, 21 workers were from Porebada, 5 from Gabadi, and 5 from the Gulf District. Seven Motu-speaking workers came from the Port Moresby area and of the rest two each were from Baimuru and Abau and one each from Kokoda, Boera, Tapini, Rigo and Kairuku. The place of origin of three workers was not known to Walo. Fourteen workers were related to him. Only Motuans were employed in the office and the saw operators section was staffed predominantly by Porebadans. Other sections were fairly mixed.

There has been a fairly high turnover rate especially among the labourers.¹ A few employees have records of long service. Wages paid have generally been above award rates. In January 1970 Mirikuro was paying \$16.16 for drivers and \$15.70 for mechanics per week. The award rate at the time varied according to skill and length of service but average weekly rates for drivers and mechanics were \$16 and \$25.30 respectively.

¹ This is fairly characteristic of workers in Port Moresby.

Table 3.2

Mirikuro Transport employees: length of service by job category

Job	No.	Service			Origin clusters				Relatives	
		Average	Range		Migrants	Residents	Commuters	Unknown	A	B*
			From	To						
Clerk	13	2 yrs 1 mth	1 mth 3 wks	10 yrs 5 mths	0	2	11	0	6	1
Mechanics	38	1 yr 1 mth 2 wks	5 days	5 yrs 2 mths	12	12	9	3	5	3
Labourers	199	9 mths	2 days	6 yrs 9 mths	136	1	32	29	16	2
Saw operators	11	1 yr 3 wks	14 days	2 yrs 9 mths	2	0	6	0	5	1
Carpenters	40	5 mths 2 wks	3 days	4 yrs 2 mths 3 wks	3	2	32	3	8	2
Drivers	99	1 yr 1 mth 2 wks	1 day	6 yrs 8 mths 2 wks	26	14	36	12	5	2
TOTAL	400**				179	31	126	47		

* Relatives categories A comprise those where genealogical ties could be stated,
B those where a link was claimed but unknown.

** Includes 15 changes in job category.

Table 3.3

Mirikuro Transport employment patterns:
some arrival and departure dates of wantok

Origin	Length of service	No. of workers	Job category
Gulf D.	20 days	2	Labourers
	1 mth	2	
	1 mth 1 week	2	
Vaimuru	1 mth 1 week	2	
Kokoda	3 days	2	Carpenters
	4 days	2	
	13 days	3	Labourers
	15 days	2	
	27 days	2	
	1 mth 2 weeks	2	
	1 mth 3 weeks	2	
	2 mths	2	
	4 mths 2 weeks	2	
	5 mths	2	
New Guinea	21 days	6	
Porebada	2 yrs 2 mths	2	Saw Operators*
	6 yrs 8 mths	2	Drivers*
	6 yrs 9 mths	2	Labourers*
Lealea	2 mths 2 weeks	3	Carpenters
	4 mths 3 weeks	6	Carpenters
Unknown	2 days	2	Labourers
	1 mth	3	
	1 mth 1 week	3	

* Relatives where genealogical ties could be stated.

Table 3.4

Mirikuro Transport: wages per week
June 1966 to January 1970
 (\$)

	June 1966	Jan. 1967	June 1967	Jan. 1968	June 1968	Jan. 1969	June 1969	Jan. 1970
Carpenters*	19.82	19.32						
Clerks	22.00	22.88	24.40	24.20	27.10	28.22	38.85	33.50
Drivers	20.31	15.35	23.06	19.30	17.84	16.85	18.18	16.16
Mechanics	22.63	40.69	32.64	25.14	31.58	26.05	18.89	15.70
Saw operators	14.33	12.42	17.93	12.33	13.21	11.14	12.51	11.75
Labourers	8.63	8.04	9.29	7.14	7.10	7.60	7.45	7.84

* Carpenters were employed by the company only for the periods shown.

Work. The dispatch clerk reports that local people who come to place orders for firewood or make arrangements to hire a truck frequently stop to talk. Many take an interest in the progress of the company. Others just stop by to talk and smoke or wait for friends; the steps and area outside the office and the public area of the office itself are much frequented by visitors.

A breakdown of income for October 1970 shows that the sale of metals, sand and soil was the major earner of income, followed by the hire of vehicles and the sale of firewood. Most work came from private companies, generally on a sub-contracting basis with a lesser amount from government departments. In terms of numbers of orders most customers are Papua New Guineans, generally urban villagers with small orders for firewood. Most big contracts are government contracts, often for the hiring of plant, but there is little continuity of work from such sources.

Walo considers the peak years for the business were 1963-66; no records remain for this period. At present he does not consider that the future prospects of Mirikuro Transport are particularly bright and expresses concern at the cut-throat competition of larger expatriate companies. It is now more difficult than formerly to win sufficient

tenders from the PWD and the CDW to keep the fleet fully occupied. In his uncertainty Walo has recently turned to a BAO at the BPC for assistance in preparing tender prices. Quotes have been reduced to low levels but with little success. In order to meet such difficulties, Walo advocates some form of preference and protection for local companies. Early in 1972 for example, Mirikuro lost a CDW contract for \$7,546 to an expatriate company by a margin of \$77, and Walo feels that where the price difference is so slight, there should be a stated policy of accepting tenders from indigenous-owned firms.

Further Walo regards the present system of tendering as possibly rigged and feels himself to be at a disadvantage since all the senior officers of PWD and CDW are expatriate and there is no Papua New Guinean representative on the Supply and Tender Board. He claims that, unlike Moses, he does not go to clubs frequented by these men and so misses out on 'the right inside-information.'¹ To counter the decline in business activity, Walo has recently diversified his interests. As noted, the company now has two taxi trucks and is interested in taking up share in a locally owned taxi company. Walo, as an individual, has also joined three other Porebadans in a partnership, Whitesands Builders.

Business and community. It will already be clear from the above account - the family fishing venture, the estate settlement, sorcery beliefs and employment records - that Mirikuro Transport has had an impact on Porebada and that the village has influenced the development of the business. I want now to detail more closely the perspective from the village.

Porebada, a village of some 2,000 inhabitants² is a conglomeration of unpainted timber and iron houses perched on stilts over the water, on the shifting sands of the beach and along the foreshore. Over the sea the houses are arranged in 'lines', the most senior clansman occupying the house nearest the shore. On the sand and land, the pattern is less obvious though clustering is on the same basis. In the centre is an open stretch of sand occupied by the

¹ Cf Walo's diary notes, p.236ff.

² Bloomfield (DDA) cited May 1970 figures, the most recent available, as 1,760 (personal communication, 16 February 1972).

church and pastor's house; this is the area for all public activities, meetings, singsing, courts and children's games. To one side of the village is the school and housing for teachers.

Moses had two houses in the village, one in the clan line on the sea side, the other on land. Walo now occupies the house nearest the shore in his line and as well has a house near the road. Moses left two widows and Walo now has two wives.¹ Both men had traditional status as senior members of a large and important clan. In addition, they assumed prominent roles in other activities. Both men were leaders in establishing the village scout troop. Moses was a councillor and one-time chairman of the Porebada council, a member of the Port Moresby Town Advisory Council, the Papua New Guinea Land Board, the Employers' Federation of Papua New Guinea and the first Papua New Guinean to become a member of the Port Moresby Chamber of Commerce. Both men were supporters of the church though strongly criticised, even ostracised at times, for taking second wives.² Moses was secretary of the United Church of Port Moresby and a member of the executive council of the United Church in the Central District. Walo continues to have few formal connections with the church but gives monetary and other assistance. Moses had intended to stand as a candidate for the 1968 House of Assembly elections and Walo entertains plans of standing at some later date.

According to members of a family closely related to the brothers, village reaction to the establishment of Mirikuro was at first amazement that a loan of \$6,000 should be granted to two of their number with the expectation that they would be able to meet repayments. With success, attitudes generally became more equivocal. Pride in the achievements of the firm and jealousy at the partners' success are both frequently expressed. There is a further ambivalence in the view that Mirikuro is regarded in part as a village business, albeit a well-to-do business, owned and managed by members

¹ Only one other old man in Porebada now has two wives.

² When Walo took a second wife the sacraments were withheld by the Church and he stopped attending, although he still made donations. His wives continued to attend regularly and assisted with church activities. After three years (1968) Walo and his younger wife were readmitted as full members of the Church with a rebaptism ceremony.

of a prominent village family and therefore expected to provide certain community services. This conflict is exemplified in a recent dispute over passenger fares between Porebada and Port Moresby. For many years a standard rate of 20 cents each way had been charged. This took no account of rising costs and in September 1970, Walo proposed (in accordance with rates agreed to by other operators on out-of-town routes) to increase the fares to 50 cents each way for casual passengers and 30 cents each way on a weekly concession basis for regulars. The number of passengers involved each day was around 200 workers plus a varying number of casuals. When the new rates were announced, Walo felt himself to be in a very difficult situation. He felt obliged to act with other transport operators and introduce more realistic fares. At the same time, he faced an angry group of fellow villagers who organised themselves, made a protest outside the office of the Passenger Transport Control Board, were granted a meeting with that body, and finally, when the dispute was not settled, boycotted Mirikuro trucks and hired buses from town instead.¹ The final solution was a compromise of 30 cents each way for both casuals and workers though regular passengers may obtain concession rates by paying in advance for a weekly ticket. The workers' association formed to hire the buses have now been disbanded, having got itself into debt to the bus company and to the Porebadan church which advanced funds. Walo considers the settlement a working one since many of his drivers come from Porebada and a useful supplement to company income can be obtained if they operate as drivers of passenger vehicles on the morning and evening runs.

Walo is very sensitive to his ambivalent status and to the conflicting pressures to which he is subject and has sought to minimise the jealousy and anger that may be directed at him. His houses and style of living are little different from those of other villagers.² Some Porebadan workers have

¹ Post Courier, 21 September 1970. A DBD officer present at the meeting reported that a trade unionist presenting submissions on behalf of workers claimed that unless Walo agreed to the lower fare he would never be accepted again in the village.

² His junior wife has told me of her desire to paint her house, have attractive curtains, European-style furniture and so on. Walo refuses her requests as he fears the consequences of such conspicuous display.

been assisted by the company in building new homes there. Walo assists any community project he considers worthwhile. During the Christmas vacations, the office staff increases suddenly as Walo gives temporary employment to young high school students from home.

Perhaps most significant, however, is the extensive 'traditional' exchange network,¹ involving reciprocal obligations, which he is able to sustain. Recently Walo organised a series of exchanges, spread over many months, commemorating the marriage of his eldest son to a Porebadan girl. Contributions were made by hundreds of people from many parts of the Central District, though the participants in the actual exchanges came mostly from the western Motu villages. Throughout all the excitement of such conspicuous displays of traditional and modern forms of wealth, the focus of attention was Walo's extended family. Walo stressed that those participating by no means included all the links he could activate and that many people, especially those in the category of 'friend', were not invited because he has many sons and will want to mobilise these resources on future occasions.

The assistance Walo received may also involve him in counter-prestations on future occasions. In fact, according to his youngest brother those connected with the business are likely to be approached every few weeks for contributions to brideprice exchanges.² He says that Walo attempts to cut down on demands but that the range of legitimate claims is wide and most drawings from the partners' capital accounts would be channelled into ceremonial exchanges. Walo also claims that he minimises demands and that large contributions are not necessary. His stance is acceptable in his view because he has carefully told villagers that in a business of this kind, most money is tied up in assets.

¹ It may be somewhat misleading to consider such a network 'traditional'. Walo's affluence and personal contacts with many coastal people through the co-operative movement make it possible for him to activate widespread and diverse links. Cf Salisbury (1961).

² Brideprice exchanges are normally arranged to coincide with government pay-week and care is taken to fix a date when it is known that no other large exchanges are planned in the village.

Businessmen in town villages

Nevertheless the predicament remains a real one not only for Walo but for others like him. Before attempting to analyse the nature of the dilemma, I outline the situation of five other businessmen, all similarly placed in regard to their community and to getting custom. Three, Ori and Peter Ila and Tau are Motuans from Hanuabada. The fourth man, Yamo, comes from Baruni, a Koitapu village a few miles farther out from Port Moresby. The remaining businessman, Gotas, is also a Hanuabadan but his line of business distinguishes him from the rest.

Three of the Hanuabadans have similar backgrounds and engage in the same type of business activities. Ori, aged forty-four, and his brother Peter, ten years younger, are the sons of a schoolteacher closely involved in the establishment of co-operative societies in Hanuabada. Ori's attendance at the local LMS primary school was interrupted in standard five by the wartime evacuation of Hanuabada. He worked for ANGAU and then from 1948 to 1960 as a clerk in a number of departments. Ori has married twice, there being three surviving daughters from the first marriage and three sons and five daughters from the second. Like Ori, Peter attended primary school at Hanuabada attaining standard seven, and from 1952 to 1956 he worked as a clerk with the Public Service Commission. The following year he transferred to the Institute of Economic Services which was then concerned with the establishment of a federation of co-operatives. In 1963 he left the government to work for Steamships Trading Company (STC) as a customs agent, being granted a licence in 1964 and subsequently from 1966 to 1969 working in that capacity for another expatriate company. Tau's father learnt to read and write, became one of the first Motu store assistants and also hired a boat from STC to engage in the sago trade with the Gulf District. Tau is aged forty-three and like Ori his primary education was interrupted by the evacuation from Hanuabada. Leaving school in standard six he worked in government departments at Konedobu as a cleaner in 1946-47. From 1948 to 1952 he worked as a clerk with the Home Affairs department for broken periods only, owing to illness. He then worked as a clerk with the Governor's Secretary's Department until July 1955 when he became the first full-time secretary of the Elevala and Tanobada Native Societies and in that capacity responsible for general store management, book-keeping and the conduct of general and board meetings. From 1960 to 1967 he worked as a clerk in

the Bureau of Statistics. Early in his career Tau, like Moses and Walo attended night classes in book-keeping. He has been twice married with three daughters by his first wife and one daughter and six sons by his second.

By the time Tau and Ori were established in responsible positions, younger, more educated men were being attracted to the public service and posed a threat to their status and promotion. In addition, while they now had large families and increasing commitments their salaries remained low. Further, the public service was restructured and minimum educational requirements for promotion introduced. Tau was transferred to the auxilliary division but because of the high family allowance he received under the old system was no better off financially. Consequently he undertook correspondence courses, obtaining passes in the Queensland Junior examination in book-keeping, typing, English and geography by 1964. He was given a salary increase of \$20 p.a. and when salary scales were reformulated in that year he received \$40 per fortnight.

Peter, in private enterprise, was better off financially than Tau and Ori. However, all three reckoned the prospect in the field of business worth pursuing. On his retirement from government service the father of Ori and Peter invested \$90 in establishing a tradestore. He gave no credit and banked all profits. It was always the old man's intention to build up a business for his sons. In 1960 Ori borrowed \$3,000 from his father for a deposit on a forklift. He claims that while with the Department of Labour, which at the time managed all operations on the wharf, he saw the opportunities for business in the transport field there. Ori purchased another forklift the following year and two in 1970, all on two-year hire purchase agreements to a finance company. In 1971 Ori employed four men, one of his sons and three others, Motuans from Manumanu, Elevela and Tatana. He considers it better to employ non-relatives, having twice had unfortunate experiences with relatives refusing to work and failing to respect authority. Ori does not keep detailed records and/or was reluctant to allow me to peruse those kept. He insists that he is not a true businessman but engaged in business simply because it provides him with the means and time to be of service to other people, especially through the church.

Peter set himself up in business as a customs agent but has done little work in this field. In addition he took over the part of the family business now operated solely by him. The enterprise operates four forklifts and two trucks



Plate 4. A Hanuabadan storekeeper and (at right) his assistant.

on cartage contracts. The store continues to operate from a well-appointed room under Peter's house and adjacent to his office. The father still takes an interest in it though day-to-day running is left in charge of one of his younger sons.

In 1965 while still in government employ, Tau invested his \$30 holiday pay in tradestore goods and set up a shop in his house. Through his long association with the co-operative movement, he obtained credit on a monthly basis from Burns Philp (BP's) and STC. During the first six months no money was taken from the store and the profit of \$400 was used as a deposit on a truck purchased at a cost of \$2,800 in 1966. The following year he resigned from the government, purchased a second truck with the assistance of a Commonwealth Trading Bank loan and applied for two PMV licences for a service between Port Moresby and his wife's home village, Kapakapa. Initially the profits on takings (\$60 to \$70 per trip) were high. However, as more Papua New Guineans and

some expatriates moved into the field of transport, competition quickened and income from passenger transport was insufficient to meet running expenses and repairs. Consequently in 1968 the first truck was traded in for \$1,100 which together with a cash contribution of \$900 was enough for a deposit on a forklift. Like Ori and Peter, Tau calculated that the volume of work was greater than BP's and STC could handle and the hiring rates of \$6 an hour per forklift offered a good return on investment. One year later he traded in the second PMV as a deposit on a second forklift. Both were financed by private finance companies on two-year terms.

By October 1970 one forklift had been fully paid for and there were six monthly repayments of \$164 outstanding on the second. When this commitment had been reduced further in January and July 1970, Tau purchased two trucks for contract carting to BP's. In February 1970 Tau won a twelve-month contract, subsequently renewed, for the carriage of PWD stores between Port Moresby and Kwikila. The demand for vehicles for this contract is irregular and contracts for BP's are still undertaken. Tau considered the transport part of his business capable of expansion and by December 1971 had purchased another forklift.

The store by this time was a relatively minor if steady addition to income. In July 1971 average stock was valued at \$300 to \$400. Fluctuations in the monthly turnover coincided with special feasting activity in the village. Profit margins are calculated at 10 per cent on top of wholesale rates.

Competition for custom

Over the past twelve months (1971), however, these three men have become increasingly concerned about the economic viability of the forklift operations.¹ A number of expatriate companies also engage in this work, including BP's and STC.² Work on the wharf has always been available

¹ One forklift costs \$5,000, and with insurance and interest charges, approximately \$6,000.

² These companies and their subsidiaries have a wide range of activities. On its calendar STC lists the following: department stores, wholesale and retail merchants, motor vehicle distributors, machinery and engineering supplies,

to smaller firms, expatriate and Papua New Guinean, only during busy periods of port activities. The volume of shipping and amount of cargo handled has in the past ensured sufficient work for all operators.

In March 1971 it was rumoured that STC planned a substantial increase in its fleet of vehicles. The local businessmen made representations to the company through a letter from the Moresby Truckers Association.¹ The letter expressed concern that the rumour, if true, might result in less work for indigenous operators and requested of the company '...kind advice of suggesting to us better ways for indigenous firms to find more work. We would also like to know your comments on rates being charged by indigenous firms as well as the efficiency of work carried out by them.'² The reply to the association confirmed that the company had plans for a substantial increase in its fleet of vehicles but denied that there would be no work for Papua New Guinean businessmen. The company's director stated that the rate charged, \$5 per hour, was too high and that \$4.50 would be more realistic. The letter concluded: '...it would be pointless to state that the purchase of new forklifts by this company will not effect [sic] indigenous forklift owners, however, because of the very large sum paid out by us for forklift hire each month, we really have no alternative.' There was no offer to negotiate any agreement in terms of suggested accepted rates.³

1(continued)

builders' hardware, office supplies and equipment, ship owners, shipping agents, stevedores, customs and forwarding agents, insurance agents, slipway proprietors, marine engineers, general engineers, refrigeration engineers, sheet metal fabricators, industrial gas manufacturers, cold stores, cartage contractors, quarry masters, rubber planters, coffee planters, copra planters, cocoa planters, coffee processors, saw millers, timber merchants, dowelling manufacturers, aerated water manufacturers, hotel proprietors.

¹ An association formed with the encouragement of a BAO to organise all transport operators, including PMV owners, as an effective pressure group.

² Secretary, MTA, to the managing director, STC, 30 March 1971.

³ STC to MTA, 8 April 1971. There has been some variation in the rates charged by operators to different firms.

In June 1971 Tau approached me about the matter as he considered the situation to be serious. Subsequently I spoke with Ori and Peter; the latter claimed that there was no need for any concern and that Tau and Ori tended to talk overmuch and would only worsen their own position. (Mirikuro's forklift income was also adversely affected during the period but Walo took no part in any subsequent negotiations.) At the request of Ori and Tau, while talking on other issues to the Assistant Ministerial Member for Business Development, I broached the subject on the forklift trouble case. Immediately he agreed to take the matter up, arranged a meeting with the operators themselves, and then wrote letters to the two companies concerned. These stated that each of the eleven vehicles owned by the three men was working approximately eight or nine hours a week and that this was insufficient work to meet costs. 'As you are aware it is the policy of the Administration to encourage the development of indigenous-owned businesses. The operation of forklifts is a field which could be handled entirely by indigenous-owned operators working under contract to firms such as yours.' A willingness to negotiate lower prices in return for a guarantee of more work was expressed.¹ BP's replied that they made full use of their own subsidiary transport company before giving work to other firms and that 'the three gentlemen concerned utilise two-ton forklifts which, under today's stevedoring conditions are too small for the pallotised stevedoring which is required for practically all overseas vessels operating to the port of Port Moresby. Where the occasions warrant we do hire their forklift plant.' Figures were given for June for hiring charges made by the three men concerned for both trucks and forklifts. The forklifts figures were low but considerable use was made of the trucks.² All indigenous transport operators agreed that where possible this company does give them preference over expatriates. No reply was received from STC.

¹ DBD file 10-4-1, 17 August 1971.

² The claim that vehicles of an unsuitable type are being used by indigenous operators is considered by them to be untenable. A survey carried out by the DBD showed that only 7 of a total fleet of 67 are over 2½ tons (DBD file 10-4-1, f.137-41). These men would in any case be prepared to purchase other vehicles if work was made available.

The position on the wharf steadily worsened. On occasions vehicles stood idle for a week at a time. No further action was taken through the offices of the Assistant Ministerial Member. Later in the year I was again approached as the men were finding it difficult to meet repayments. Peter also was concerned and had told the finance company they could repossess two forklifts since he could not afford to keep up repayments. As on previous occasions I was asked to make representations on their behalf to appropriate DBD officials. Immediately after these discussions, on 8 December 1971 in the absence of the Assistant Ministerial Member I asked if I might meet with the Secretary. The request was refused and I was told to approach one of his senior officers. Again I detailed the background of the case to be told that the trend of big companies forcing small firms out of business was world wide; that in this instance putting pressure on the companies involved would not work since they expected a 'big blow up' anyway, but that the matter would be fully investigated. The inquiry was delegated to an officer at the BPC. He arranged a meeting of forklift owners and the MTA executive committee. A letter to the managing director of STC explained the situation and enclosed copies of previous correspondence between the company and the association. The letter continued:

...As you are fully aware that the poor indigenous people are realising to participate generally in the field of economic development as a whole and only for the sake of this, they have used up all their limited amount of monies on buying these vehicles in order to meet all transport and handling demands in the Port Moresby waterfront. After a very short period of time in dealing with all the big firms on the industry in town, a sudden change of attitude has occurred that all the big firms in town have started to import their own vehicles for their own use with the idea that they will cut their costs down as low as possible. We have accepted the general idea as fair enough, however, it is not fair enough after making all the way possible for the indigenous people to spend all their ready monies on buying additional vehicles and in very little time they find themselves very difficult to find work from the big firms like your Company. Your Company did not make any attempt to negotiate better hire prices, you went right ahead and expanded your own fleet without negotiation with the indigenous operators. They were getting a big part of their income from your Company.

The association expressed its intention to call a general meeting in January 1972 to consider what form of political action would best resolve the issue. It was further stated that two immediate courses were being considered: firstly, the imposition of a total ban on the buying of vehicles and other goods from companies not willing to offer work to indigenous transporters; secondly, an approach to all firms to negotiate a sale and transfer

...through some special arrangements...of general transport and wharf operations to indigenous ownership. The secretary stressed that the members' situation was desperate and that if co-operation was not forthcoming, a ban would be imposed. He concluded, 'Please believe that we do not want to do this. We are asking sincerely to not make us do it.

Our Association has two objects: (1) to develop all indigenous transport businesses and (2) to maintain good relations amongst all the different firms in the Transport Industry. Our job is to carry out these objects of our Association and we ask that your Company help us to do this. We are sure that in the long run this help from you will help your Company.'¹

The acknowledgement to this letter stated that the matters raised were serious and that their consideration would be deferred until the managing director returned from leave at the end of January 1972.

The report requested by DBD was completed on 20 January 1972 and recommended that the department take no action until the MTA negotiations proved fruitless. At the same time the BAO considered that local businessmen should handle more of the work available in the wharf area and that there would be 'no harm in quietly making known to the stevedoring firms that restrictions through licencing may become necessary if a satisfactory agreement is not negotiated with the freelance indigenous operators. This could be done through the Business Licenses Ordinance or possibly through the present wharf vehicle registration powers used by the Port Manager.'²

¹ Secretary, MTA, to managing director, STC 22 December 1971.

² DBD file 10-4-1, f.137. It is not clear whether forklift operations would come under the ordinance.

Thus at the time of writing, almost twelve months after the issue was first raised, there is no sign of any settlement being reached.

Businessmen in 'traditional' communities

In their home communities, like the Mirikuro partners at Porebada, the forklift owners have taken up prominent positions. Church affairs occupy much of Ori's time since he is secretary of the United Church in Hanuabada. He is also the representative of Ward 1 (taking in Hanuabada, Baruni, Tatana, Iduabada and Napanapa), of the Port Moresby Town Council and stood as an independent candidate in the 1972 national elections.

These men recognise that status and wealth may make them the focus for jealousy and possible attacks of sorcerers. Ori believes several attempts have been made on his life and for this reason his wife insists on accompanying him whenever he goes out to meetings at night. He has publicly challenged those who would kill him, disclaiming any personal belief in the efficacy of sorcery by asserting that any man who killed him would kill the god in whom he so devoutly believes.

A different kind of protection is invoked by Peter, who while recognising that he is vulnerable to attack, asserts that protective magic from the Kairuku area, available to him through his mother, is more powerful than the destructive powers commanded by Hanuabadans.

On the other hand, Tau claims that the idea of sorcery acting as a constraint on businessmen is merely a matter for talk. Last year when he injured his leg an elderly female relative immediately concluded that it indicated sorcery. Tau said that he found this explanation quite unsatisfactory.¹

Again as in Porebada, the Hanuabadan businessmen participate in traditional and other forms of exchange, in council and other village activities, and in church affairs.

¹ Tau is not the most senior man in his clan. This clan is small, comprising mainly widows and widowers with only two heads of households working. For the 1971 boubou or annual fund-raising for the church, other clan members contributed \$100, Tau \$101.

The family of Ori and Peter and their helpers in September 1970 paid a brideprice of \$7,000 on behalf of their youngest son for the daughter of the sitting member of the House of Assembly for that constituency. Tau has recently moved into a new house the materials and fittings of which cost an estimated \$4,000. The labour force comprised relatives of his wife and they will be repaid, in Tau's own terms, in 'custom way', that is, their wants while on the job were attended to by Tau's wife and he will assist in exchanges and the payment of school fees and so on in future.

These men also plan to further diversify their business interests. In 1971 Tau considered buying a well-established, European-owned business at Kwikila comprising a general store with a license to sell liquor. The purchase price was \$25,000, the monthly turnover \$6,000 to \$7,000. A proposal was put to the DB in February 1971. By June there was still no decision, a delay Tau attributed to the DB's alleged reluctance to grant large loans to indigenous borrowers. At the same time Tau stopped pressing his case for this venture, instead taking up an interest with Ori, Walo, Tau and others in a proposed taxi co-operative (Pagini Taxis). In addition Tau formed a partnership with a European businessman to promote a new transport company, H and N Proprietary Ltd, to operate taxi trucks in the town area. On 31 August 1971 the company made application for ten licenses but the proposals were not followed through when the European partner returned to Australia. A wholesale importing business is Peter's long-term ambition and at present he is setting up a mobile snack bar unit.

Yamo, the fourth man in this group, also has trucking interests and since work is obtainable from only a few suppliers, he is in daily contact with the three Hanuabadan businessmen. An imposing figure of thirty-six years of age, Yamo was encouraged by an uncle to continue his education beyond the village school at a time when very few children from Baruni did so. He attended secondary school at Sogeri attaining form four. On leaving school he obtained a job with CDW but left to fulfil a long-cherished ambition to become a schoolteacher. At first he assisted at LMS schools set up among the Toaripi people. He was then sent for teacher training at Lawes College, Fife Bay, graduating in 1962. A posting to Garibari in the Gulf District followed and there he enjoyed very much the teaching and pastoral duties undertaken both by himself and his wife.

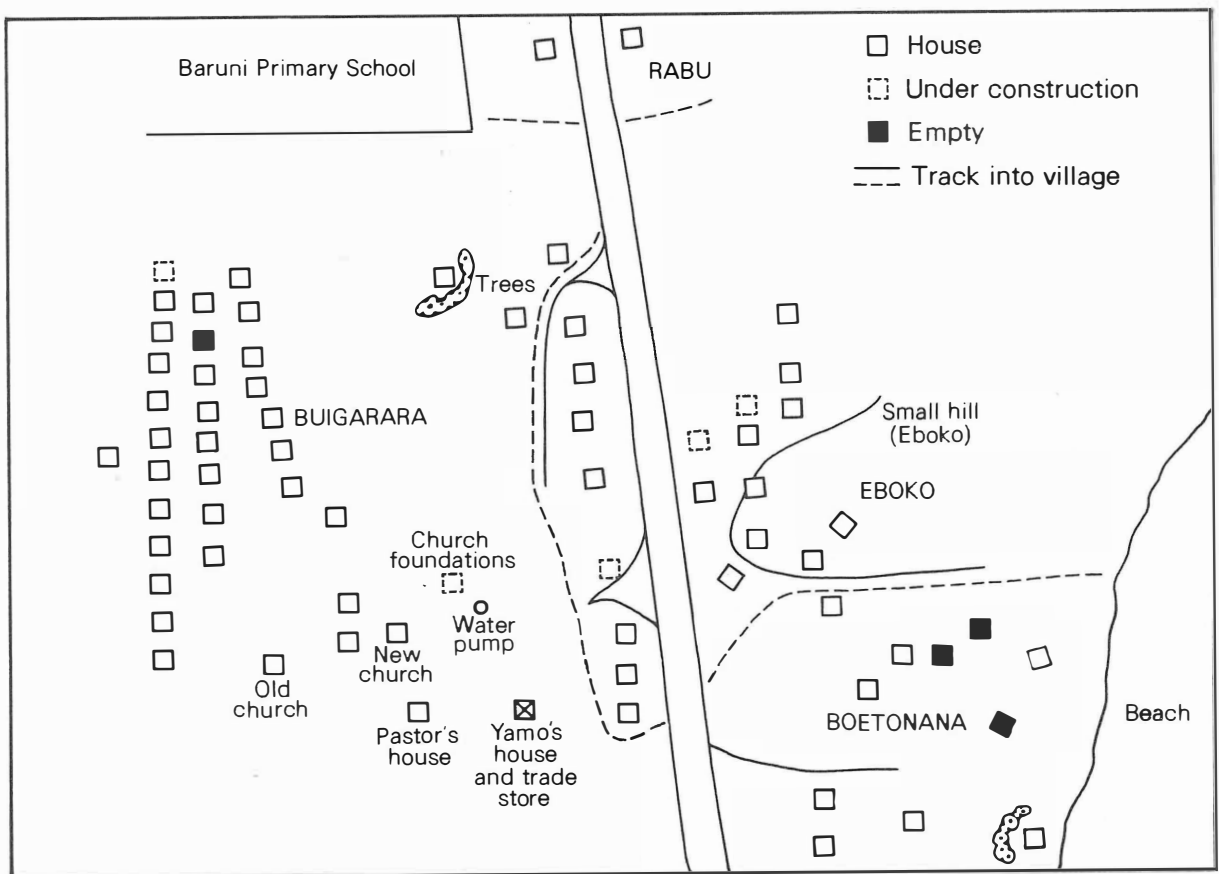


Figure 4. Baruni village: layout of houses in relations to tradestore, June 1971

Yamo viewed his work in the area as missionary endeavour, introducing literacy and other new skills, new crops and medicines and generally raising the standard of living of a people he regarded as backward. Then, just when the work was beginning to have results, the mission proposed a transfer to Orokolo. He refused and since no alternative was offered, resigned. At the time his salary was \$100 per quarter (made up of \$60 from the church and \$40 from the Department of Education).

In 1967 he returned to Baruni and again took up work with his former employer, working overtime and drawing an average wage of \$76 per fortnight. While still in government employ in 1968, Yamo established a small tradestore in his house (see Fig.4). According to him, other village trade-stores were small, badly managed and generally shortlived. Most allegedly worked on a mark-up of 40 per cent. Yamo claims that he decided on a mark-up of 25 per cent except in particular items where the price seemed too high. This policy, according to the businessman himself, quickly brought about the downfall of other stores in the village; certainly there have over the last two years been only a few sporadic attempts to establish stores in Baruni.

The present shop premises comprise a small room under Yamo's house. There is insufficient space for storage or display. He would like to build a larger, permanent store nearer the main road but this land belongs to another clan and so far Yamo has been unable to secure their agreement. Clan land agreements are considered security for DB loans so without the consent of the clan he is unable to obtain finance for improvements or rebuilding.

For the present therefore the store relies on village customers. This is adequate to ensure a high stock turnover of approximately eighty-six times per year. There is little unemployment in the village, young men finding work as clerks or drivers, a few as tradesmen, and some girls working as typists. Older people from several clans make money (\$30 to \$40 per week) from carvings. The cash inflow into the village is thus considerable and taking store turnover and households it would seem that each household unit spends about \$10 a week at the shop. Buying is done two or three times weekly at wholesalers. Stock levels are generally adequate. Purchases by customers are typically

small and frequent, with¹a high demand for certain items such as bread and cigarettes.

In June 1971 credit was being extended to nine households. This is limited to a single pay period of two weeks or a cash limit of \$20 to \$30. Customers obtaining goods on credit are also only served by the storekeeper in off-peak hours between 8 and 10 a.m. Of those receiving credit, 7 were from Yamo's own clan and 2 from Eboko. One householder had as its income earner, a carver, one was Yamo's driver while the rest had steady jobs.

In 1967 Yamo purchased a second-hand truck for use as a passenger motor vehicle and for firewood contracting. He was cutting timber from Administration land but villagers claimed the trees were being cut from clan land and took the dispute for settlement to the district office. The findings, in the businessman's favour, were unacceptable to the people and a fight later developed in the village. Subsequently Yamo was forced to close the shop for a time and later sold the truck as well. Community pressures to induce conformity may be keenly felt and had the store not closed a boycott or at least an uncomfortable upsurge in hostility would very likely have resulted. When the ill-feeling had subsided the store was reopened and turnover does not appear to have been adversely affected. In March 1971 Yamo purchased two old Administration trucks for cartage work around the town, mainly under contract work to BP's. Each cost \$400,

¹ Thus during a busy period at the store from 6.15 a.m. to 7.20 a.m. fifty-nine sales were recorded: 21 for loaves of bread only; 8 for bread and $\frac{1}{4}$ lb butter; 5 for butter only; 2 for bread and a packet of 10 cigarettes; 2 for a bun loaf; 4 for a packet of 10 cigarettes only and the remainder as follows: a can of corned beef and 20 cents sugar; 1 bread; 1 butter; 3 biscuits; 1 bread; $\frac{1}{4}$ lb butter, 20 cents sugar and 2 boxes of matches; $\frac{1}{2}$ lb tea and 1 packet of biscuits; 1 bread, 1 can of milk and $\frac{1}{4}$ lb butter; 4 biscuits and $\frac{1}{4}$ lb butter; 2 buns; 1 bread, $\frac{1}{4}$ lb butter, 1 can milk; 1 can corned beef, 1 jar vegemite and 1 packet biscuits; 10 cents sugar and 1 bun; 2 sweets; 1 bread and 5 sweets; 4 sweets; 2 sweets; 1 bread and 20 cents sugar; 1 packet drink mix and $\frac{1}{2}$ lb tea; 1 packet drink mix. Recorded 6 June 1971. The storekeeper here as in other stores, keeps a similar record, not of items, but listing the amount of all sales. This provides a check with the cash box at the end of a day's trading.

including registration. Rates for hiring were \$3 per hour. The trucks were not always fully utilised under this arrangement, however, so in August 1971 Yamo again turned to firewood work, employing four labourers to cut timber from the same area as before. The timber was cut into short lengths and stacked in an enclosure beside the shop for delivery to Hanuabada when the trucks were not otherwise engaged. The price, delivered to Hanuabada was \$13 a load. Labour costs were \$48 per month.

With the problem of village rivalries and tensions still a factor in the business, Yamo is very conscious of the jealousy his wealth arouses, especially in his own peer group and among a few of the older men of Baruni. He claims that truck parts have been stolen and water put in the petrol tanks in attempts to 'spoil' his business. He, too, fears going out at night alone and soon after a peak trading period in December 1971, reported seeing people dressed in black, lurking at night near his house. Such incidents are not attributed to sorcery; those who would harm him may use such means but in Yamo's view it is jealousy and possible physical harm that he has to fear.

Like other businessmen in this group, Yamo would like to extend his business activities, especially by diversifying. He would like to establish a fishing industry, buying nets and vessels and employing local men. Early in 1962 he responded enthusiastically to a suggestion from a government officer that he consider the possibility of leasing a block of land near Baruni at present part of the estate of a former government officer. Representations to the trustees in Sydney are being made on Yamo's behalf and proposals for the use of the land include a new store and accommodation and a chicken farm.

At the same time, Yamo claims to enjoy a position of leadership within the village. Baruni is at present without a resident pastor and because of his background, Yamo conducts services and devotes much time to pastoral care. He is also active in circuit church affairs. Recently he was made chairman of a special committee set up to consider the problem of primary school leavers. He has also taken a prominent role in organising the village's defence in a current land case concerning an area claimed by the Administration.

Yamo claims that he is able to resist many of the traditional exchange demands made upon him. I have been unable to establish whether this is the case, and if so why.

Gotao, another Hanuabadan, in some respects can be seen as combining in his background, aspirations and attitudes, something of both the businessmen just described, and the younger, more outward-looking men described below.¹ His mission education was interrupted by the war and although transferred to a school set up by the army, he left while still in standard four, in 1942. On the return of his family to Port Moresby in 1946, he worked as driver, messenger and clerk for various private and government employers. Then in 1955 he began a career as a hairdresser and worked for two private employers before setting up in business as a barber himself in 1961. Beginnings were modest with daily takings of somewhere between 4/- and 10/- daily. However, by 1967, Gotao was able to use savings from the hairdressing business to purchase a truck subsequently hired, mainly to government stores, for the carriage of goods in the town area. In 1968 and again in 1969 the purchase of a new truck was financed by trading-in the old one.

In recent years there has been more competition in the hairdressing business and Gotao claims that business generally has declined. However, he has continually extended his range of activities. In 1962 he obtained a block of land at Laloki and grows there vegetables for home consumption with an occasional surplus for market. In 1968 he contributed \$200 as share capital to Territory Pest Control, a venture in which two expatriates held 60 per cent of the shares. The company commenced operations in November 1968 and continued until July 1969 when the major partners left for Australia without a trace.

In 1969 Gotao saw an advertisement for the Taurama School of Motoring and, considering this to be a sound business proposition, approached the Commonwealth Trading Bank for a loan of \$2,000 to arrange purchase. He was refused and referred to the DB from whom he obtained a loan of \$1,500 to which he added \$650 to meet the full purchase price of \$2,150. The business comprised two dual-control cars but difficulties in maintenance and repair costs and control of instructors were readily apparent and before long other parts of the business were subsidising the driving school which finally operated at a loss and was scrapped in 1970. In February 1970 he formed a partnership, Talo Builders, and tendered unsuccessfully for Housing Commission contracts.

¹ See Chapter 4.

Gotao has applied for various commercial leases around the town and thought also of applying in September 1971 for a theatre lease at Waigani.

For many years now, Goato's business has brought him into contact with Europeans and he has been exposed to a variety of ideas and attitudes. It is with these men and what they represent - status, wealth and power - that he tends to identify, though not completely. Thus he is at once an organiser of a Motu social club, a member of the Chamber of Commerce and of the Club Germania, a social and sporting club of mostly German-speaking members. In 1971 Gotao was elected to the management committee of the club. At the same time he contributes to traditional exchanges and church fund-raising activities but his range of close personal ties in Hanuabada is small and he would like to build a house on a residential block in Hohola.¹

Conclusion: the 'big-men' of business

These men share a number of characteristics both in their background and in their development as businessmen. All are from urban or peri-urban Motu and Koita villages. Of the six, only Yamo has any post-primary education. On leaving school all entered wage employment, typically as government clerks. Discontent over low wages, limited prospects for promotion, and a desire to be independent, appear to have impelled their entry into business. Even there, opportunities were restricted by a number of factors: low incomes and established family commitments limited the accumulation of capital; loan monies were not readily available from government sources and banks while the security requirements of finance companies were generally too stringent; the physical environment of the Port Moresby area ruled out the gradual kind of development pattern outlined by T.S. Epstein (1968) and postulated by her as a theory of economic change.

Consequently Port Moresby's first businessmen moved into fields which could be based in their home villages where they could most easily mobilise capital, labour or custom. Except for Gotao, all businessmen have relied at some time, at least for some part of their operations, directly on village support. This support has been countered in part by the provision of the service itself - the supply of

¹ See Gotao's diary notes, pp.237-9.

tradesore goods or the availability of transport. Some have provided employment for kinsmen and fellow villagers. Others, as instanced by Walo's support of Whitesands Builders, have given assistance to businessmen.

At the same time all businessmen have looked beyond a purely village-based business. This is exemplified by their use of outside financial backing. Once beyond the initial stages when some assets have been acquired, finance was obtained from companies under hire purchase agreements. Since the establishment of the DB, two men, Yamo and Gotao have obtained loans from that source. The others have continued to rely on finance companies, expressing impatience at the sometimes lengthy delays and form-filling procedures of the bank. No attempt has been made to raise capital for business within the village.

All of these businessmen have attempted to diversify their business interests in an extra village context. Their businesses incorporate a number of small-scale activities and future expansion is seen usually in terms of further proliferation of activities. This in part reflects the feeling that development in any one field is blocked by some constraint, whether built-in as in the size of a village market, or imposed as in the policy of expatriate companies regarding the forklifts on the wharf. It is considered to be a form of security to spread investment rather than concentrate on expanding one enterprise in a single field.

This perception heightens the businessman's awareness of his response to village pressures for he does not regard the provision of services as sufficient return for past assistance. All have continued living in their villages and all value their status there as clan elders, church leaders or politicians. In terms of housing and dress, they differ little from other villagers. On the other hand, they may well make large contributions to church fund-raising activities, or ceremonial exchanges, thereby affirming their prominence. It may well be resented also. This has been noted elsewhere. 'The rare successful entrepreneur has special problems, for he ran the risk of being accused of deliberately withholding knowledge, of having sorcery performed against him, or of suffering public disapproval'. (L. McSwain 1971: 265) The vulnerability to attacks from sorcerers is clearly evident. Douglas (1970: xxv) argues that this is used

...as a weapon of attack where relationships are ambiguous, and this may be for one of two reasons. It may be that the relationships are normally

competitive and unregulated...or it may be that some class of persons comes into an altogether anomalous position of advantage or disadvantage so that the umbrella of community protection is withdrawn from them.

Port Moresby's businessmen appear to be open to attack on both grounds. Among the Motu, as in other Papua New Guinean societies, leadership positions were traditionally attained in a competitive fashion (Groves 1963: 15-30). Today's big-man in business may be seen as one modern counterpart of the traditional leader. Characteristically in the forklift trouble case these men, long established in business, failed to combine to form an effective pressure group. Rather, as individuals each looked to outside assistance. The roles and strategies which they may choose to adopt are still ill-defined. The predicament is further worsened by the fact that other villagers have scant appreciation of business processes or of the likely returns on investment. Many indigenous businessmen say that their people attribute to them far greater resources than they in fact enjoy. Explanations of the ways of business may be offered especially to justify the refusal of demands for cash, but concepts such as loans and interest rates, depreciation and insurance are difficult to render meaningful.

For these older independent businessmen the predicament remains. They took with them into business on-going exchange relations; their affluence allowed these to be built up and manipulated. It was possible to gain support for positions of power, there was time to devote to leadership in church committee or village welfare work or to visiting distant trade partners. The 'push' to better living standards - status, power and social satisfaction - is opposed by a 'pull' - the avowed dislike of difference; individually these six men have successfully achieved a balance.

Chapter 4

The young moderns and their patrons

The second group of businessmen comprises younger, and in some instances highly educated men, engaged in what for Papua New Guineans are completely new business activities. They also differ from the older businessmen in their attitudes to family, kin and business and in the ways they appear to relate themselves as businessmen to a wider, predominantly European social world.

Allied Enterprises

An outstanding example of these 'new men' is Willie, a Mekeo born at Beipa village in 1940. Willie received all of his education at Roman Catholic boarding schools, first at Beipa and later at Yule Island, leaving in 1954 after completing standard six. He then migrated to Port Moresby where he drifted around with a gang of youths like himself all fringe town-dwellers. Arrested on a charge of breaking and entering, Willie was convicted and served a four-year prison sentence at the Bomana Corrective Institution. There he was introduced to trade skills, learning a little about plumbing and welding. On his release he returned to Beipa and worked for a year as an unqualified mission teacher at a salary of \$2 a month, supplemented by a share of the coconuts brought by pupils in lieu of school fees. He collected other nuts himself and made copra, sometimes earning \$50 a month.

Although under pressure from the mission to stay on as a teacher, and under a court order to remain outside Port Moresby, in 1961 Willie returned and through a relative obtained a welding job. After a short time with private companies, he joined the PWD, and in 1963 applied for admission to an apprenticeship course as a boilermaker. He began training in 1964, working for the department and attending full-time block courses over the next four years at Idubada Technical College. On graduating he worked for STC as a salesman and demonstrator of welding equipment.

During his time at Idubada Willie met his patron J. Thomas, at that time an instructor at the school. A man with ideas, enthusiasm and drive, Thomas fostered Willie's ambitions, widening his horizons and making possible the realisation of his business aspirations.

In 1965 Thomas and three other expatriate instructors from the college formed the Papua New Guinea Welders' Club. According to its founder

The club was formed solely for the purpose of using the manipulative skills of people so that they could easily learn a trade and fit into a technical society by finding remunerative employment. The club when formed soon proved to be over popular, with a European membership of some 140 who hailed from all walks of life, and also had a slow but an¹ eventual membership of 100 indigenous members.

From the beginning Willie was involved as an instructor and as assistant secretary to Thomas. The activities of the club soon led to a deeper commitment of its leaders, and especially of Thomas for

Once the native course was completed, the members looked upon me to find them employment, which was not really difficult at the early stages, as most of the factories in the Port Moresby area gave me their wholehearted support in securing jobs for my members. This is when I really began to assess the real intentions of the Admin. organisation. I approached Education Department only to be told that it was not their job to provide or assist with employment. I called on the Department of Labour only to find that they merely maintain an unemployment register and if some organisation wished to phone them, they could send those registered with them. The Department of Trade and Industry only felt that their function was one of an advisory nature. Treasury was more indifferent to such requests.

I then took upon myself to approach the Public Service Commissioner, with a request for permission²

¹ Personal communication, 8 November 1971.

² Necessary because of a regulation that public servants cannot engage in business.

to start a workshop to provide employment to the indigenous members of the club to complete their courses. I also indicated that I would teach them to produce items of furniture, playground equipment and hospital furniture which they themselves will need in their developing country....

Permission was granted and the condition was that it must be at my own expense and my own risk, and also in my own free time.

This is when I once again enlisted the support and help from close associates and a company [Allied Enterprises Pty Ltd] was formed....

As Willie was the sole instructor of the indigenous members of the Club, he proved to be the most likely person to continue the training and the supervision of them at Allied Enterprises. He was physically taught the problems of planning a business, estimating, purchasing, banking, invoicing and labour supervision.¹

Initially Allied Enterprises had four expatriate shareholders, three (one of whom was Thomas's wife) holding 1,000 \$1 shares each, and Thomas himself, as managing director holding 2,000. The company obtained a block of land in what was then (1967) an undeveloped part of the Hohola industrial estate. There was no road access and the land was swampy. In spite of these problems the block was quickly developed, a factory built, machinery installed and the production of steel-framed furniture, chairs, beds and tables commenced in October 1967.

The company's articles of association stated that one of its aims was 'to promote the development of small-scale indigenous industries', and from the beginning it was intended that Willie should take over the business. In the early stages, however, he remained in full-time employment with STC assisting at Allied in the evenings and at weekends. All assistance was needed as these early months were fraught with difficulties. Orders were hard to obtain as most potential buyers preferred to deal with established overseas suppliers.

¹ Personal communication, 8 November 1971. The Welders' Club closed in 1968. Its assets were bought by the Administration and it became the Small Industries Centre of the DBD. See Tarua (1969).

Moreover, Allied's labour resources were severely limited. In 1968 seven of its eight employees were from the Welders' Club, all had little formal education and so required constant supervision in jobs requiring measurement and the setting up of jigs. Quality control was especially difficult to maintain.

Almost a year later, negotiations were begun with the DB to arrange finance for Willie to take over the business. These talks were protracted with feeling between the parties involved at times running high. Thomas an impetuous man, felt that any proposals which differed from his own meant a 'rough deal' for Willie and the shareholders and a 'sell-out' to the bank; the Department of Trade and Industry was for a time uncertain whether to approve the transfer; and the DB, confronted for the first time with financing the establishment of a Papua New Guinea owned manufacturing concern was uncertain what administrative procedures and legal arrangements should be adopted.

Finally the DB approved a loan (26 May 1969) for the purchase of the business assets and also took up a 23 per cent shareholding in the company, the valuation of the \$1 shares at the time being \$4.20. Willie provided \$1,000 capital and with a personal loan of \$15,000 from Thomas purchased the remaining 77 per cent of the shares.

For the eleven months to 31 May 1970, following the transfer to Willie, the company showed good returns on sales. During this period a DB officer sat on the board and all bookwork was carried out by DB officers. No administrative charge was made for this service and so at the end of the financial year 30 June 1970, an interim dividend of 20 per cent was declared. The bank received \$231.40 on its investment for the year (an effective yield of $4\frac{3}{4}$ per cent). Willie's dividend was credited to a personal loan account and reduced personal debts charged by him against the company.

At Thomas's urging, Willie objected to this decision and has generally resented any form of bank control. However, on the two occasions that the DB shares have been offered to him at¹ their original value, the offer has not been taken up.¹ In view of the continuing ill-feeling, all

¹ By this time Thomas had left the country for a job in Singapore but he has maintained contact with Willie. The DB made share offers on 27 November 1969 and 30 January 1970 of 1,157 shares at \$4.20, a total of \$4,859.40.

control over the company's affairs, including all bookwork, was handed over to Willie as from 31 May July 1971. DB officers were instructed not to interfere in any way unless their advice was sought. The projects officer concerned considered that Allied is a good business, so that politically it might be as well to allow Willie complete freedom and then effect a rescue 'when things get too bad.' After Thomas left the DBD, Willie's contact with the department has been on a personal basis with one of the officers at the SIC, a former instructor and one of the original shareholders in Allied. He continues to identify closely with the company and its problems and spends much time, in and out of working hours, in assisting Willie.

Meantime the return to the business seems relatively steady and the fluctuations in annual turnover are largely due to the variability of Administration orders on which the company still relies.

Labour records for the early years appear to be incomplete but those extant show that as at 15 February 1971, 68 workers had at some time been in the company's employ, 24 of them currently. Workers come from diverse tribal backgrounds, and except for two urban villagers are migrants. In the early years some workers came from Willie's home area but in February 1971 only four staff members, three of them women working in the upholstery section, came from the Kairuku district and the clerk claimed he had instructions not to give work to Mekeos. Like Mirikuro Transport, there are some regularities in the employment patterns of workers at Allied. Six workers have worked for more than one period in the company's employ. There is one instance of three Goilala workers commencing and leaving on the same day and similarly with two workers from Mendi. Except for a few long-service employees, the average work period for most workers is short. Again as with Mirikuro Transport, there is a patterning according to occupation and place of origin (see Tables 4.1 and 4.2). The thirteen workers in the semi-skilled tradesman category of welder have an average work period of thirteen months four days. Painters and carpenters have rather shorter average work periods. Labourers stay on average almost three months and the four clerks employed in the office have the poorest record, perhaps, reflecting their frequent complaint that Willie's temper makes him impossible to work with.

Table 4.1
Allied Enterprises
Length of service according to job category

Job	No. of workers	Average length of employment		Range
Welders	13	13 months	4 days	11 days to 43 months 15 days
Painters	5	7 months	13 days	2 months 6 days to 14 months 7 days
Carpenters	9	5 months	3 days	20 days to 10 months 7 days
Clerks	4	1 month	13 days	14 days to 3 months 26 days
Labourers	36	2 months	24 days	9 days to 18 months 6 days
Machinists	1	10 months	7 days	

Table 4.2
Allied Enterprises
Length of service according to origin

Place of origin	No. of workers	Average length of employment		Range
Fergusson Island	6	17 months	16 days	2 months 9 days to 43 months 15 days
Goilalas	7	4 months	19 days	19 days to 18 months 6 days
Kerema Gulf District	8	3 months	4 days	12 days to 8 months 20 days
Kairuku	14	3 months	14 days	8 days to 22 months 25 days
Others	26	5 months	2 days	10 days to 26 months 15 days
Unknown	7		23 days	6 days to 2 months

In August 1971 Willie joined with one of his workers, and a classificatory kinsman, to establish a canteen to serve the needs of company workers and others from surrounding factories. After two months Willie claimed that the income of the store was \$100 a day. Interestingly, while generally avoiding commitments with wantok, in this context Willie explained his partnership on the basis that 'when it comes to money you can trust only a relative; you may think a man is honest, but if the money is there sometime he will take it'.

Thus since taking over Allied Willie has increased the turnover and extended the range of company activities. From steel fabricating he has moved into carpentry/joinery and upholstery in an attempt to build up the range and quality of furniture. He has adopted an aggressive, big-businessman approach and during slack periods on the factory floor is known to constantly harass senior Administration officers, to approach the Administrator himself or make personal representation to Canberra. As expressed to me, his plea on such occasions is that he does not ask for charity, only work; his complaint that the administration is all talk and no action. In particular, Willie considers that the tender system adversely affects the development and profitability of firms such as Allied and advocates a longer-term allocation of orders for standard items, thus allowing a steady output on say a monthly basis.

At the same time, Willie is ever talking of new projects, whether the feasibility of using foam rubber and coconut fibre to make cheap mattresses, the award of the garbage collection contract to a local firm, the manufacture of toothpaste, rulers and rubbers for schools, or the white marking of bitumen roads around the town. Unable to realise these and other ideas, Willie, regarding himself as a leader in a new field, would like to foster the development of locally owned enterprises and advocates a policy by government of investing and experimenting with new industries, with provision for their eventual sale to local businessmen.

Willie's ideas about improving his own business focus on the need to establish as many contacts as possible; to speak 'sweet talk' to those in influential positions. It is for this reason that he agrees to do all sorts of small jobs on weekends in the belief that goodwill may lead to larger jobs. Similarly, when, as frequently, invited to important official functions, Willie claims that he does

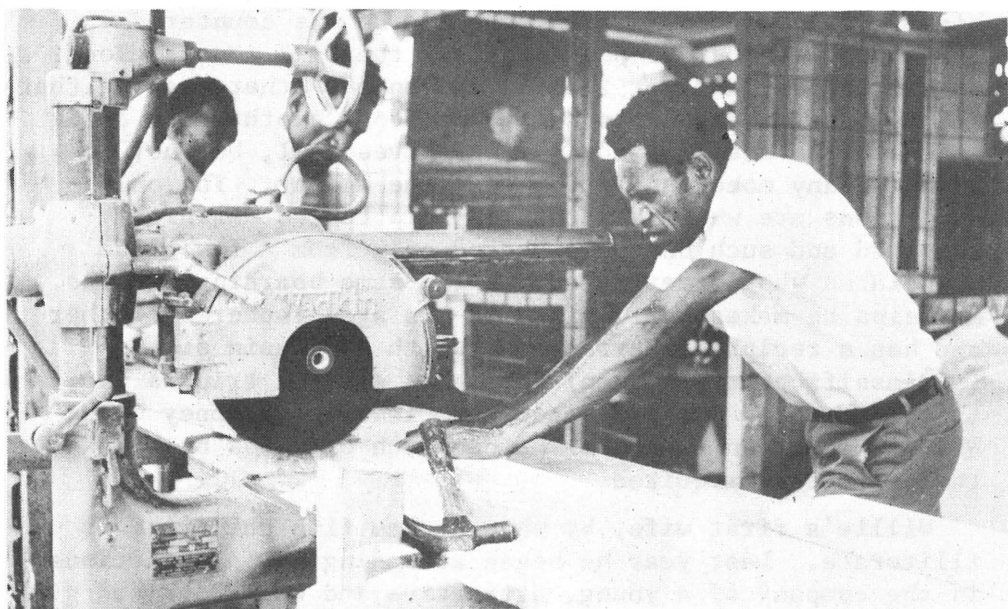


Plate 5. Workers in a joinery workshop.

not stand around talking to other Papua New Guineans but mixes instead with Europeans. He is a member of the Central District Education Board, the Lions Club and the Chamber of Commerce, in all taking a very active role. In October 1970 he was elected vice-president of the Port Moresby Chamber of Commerce, the first Papua New Guinean to hold such an office. Willie has also travelled widely, to Australia on a number of occasions, including a Chamber of Commerce Convention, and to several Southeast Asian countries, where his patron Thomas, from his Singapore base, was able to give him a number of useful introductions. These experiences, especially in Asia, appear to have confirmed Willie's personal ambitions and to have strengthened his conviction that if only the Australian-oriented development models of Papua New Guineans could be similarly broadened, all kinds of new entrepreneurial activities could be promoted.

In his attitudes towards business and his community Willie claims to have an individualistic rather than a family outlook. He maintains that this in part comes from the

independent outlook fostered by years at a boarding school, and in part from the refusal of his people to give him financial assistance when he requested it in 1967 and 1968. Now that the business is well established, Willie finds himself under pressure from wantok. He has countered demands by on the one hand claiming that all money belongs to the company and not to him, and on the other stating that he has made it a rule to share any food, clothing or drink in the house when friends and relatives call, but not to give out any money no matter what the amount. The only exceptions are where a return of help can be definitely expected and such can be expected only from a few close associates who formerly were at the same boarding schools. At Beipa he makes small gifts to his aged father's brother and has a reciprocal arrangement with a 'cousin sister' (a classificatory kinsman) who makes several trips a year to Port Moresby to sell betel nut, leaves the money with Willie, and then requests the despatch of goods back to the village as required.

Willie's first wife, by whom he has five children, is illiterate. Last year he began attending social functions in the company of a young, attractive and well-educated girl from Hula. She worked as a seamstress for the company and later became Willie's younger wife. He is aware that his self-assertiveness, his associations with Europeans and his social activities are the cause of much comment and that people say he will meet the same fate as the senior partner in Mirikuro. Willie claims that he entertains no fears in this regard although after one of his infrequent visits to his home area, he acknowledged that it was necessary to be particularly careful about visiting and sharing food with strangers for fear of poisoning. From the perspective of Beipa it appears that Willie is a source of pride and respect only so long as he stays out of the village.¹

Suburban milk delivery services

Two young men in the same kind of business are Miro and Tom, each of whom operates a milk run, Sunset Milk Service and Korobosea Milk in several suburbs. Both men are in their twenties, and though from different districts, have known

¹ Personal communication, E. Hau'ofa, 1 September 1971.

each other since childhood. Miro went first to primary school at Vabukori village and Kila Kila, and later attended a church boarding school in Queensland, obtaining his Queensland Junior Certificate before returning for two more years secondary schooling at Sogeri. Tom, from Daru in the Western District, was educated there and at a primary school in Queensland, later attending the same secondary school as Miro. He was educated in Queensland senior level mainly in science subjects and on accepting a cadetship from an oil company attended Melbourne Technical College for two years. On his return to Port Moresby, Tom continued working for the same company until 1967 when, despite good pay and prospects, he decided he was unsuited for the work, left, and went home to his village for some months. Back in Port Moresby he took a job as a truck driver.

Some time later the DB became aware of the business opportunity created by the establishment of a new Port Moresby-based dairy farm and milk products enterprise. The bank, through the personal connections of one of its officers, then approached Tom because it was felt that with his background experience and outgoing personality he had potential talents that were being wasted in an undemanding driving job. Tom agreed to the proposals. Since he himself could not take up any equity, Korobosea Milk commenced operations on 27 July 1970 as a wholly DB owned concern. The bank employed Tom on a salary of \$20 a week and he recruited two former workmates as runners on \$7 a week. Management and general extension services were provided by bank staff in the early stages. Initially it was difficult to maintain sales due to the varying quality of the product. During the first ten weeks the business barely broke even. Thereafter volume of sales increased turnover and profitability. The bank had recouped its investment of \$2,116 required for the purchase of a truck by 30 June 1971 and the business was transferred to Tom on 1 August 1971. DB officers considered the venture 'an unqualified success with never a delivery missed'.¹ Tom claims he has always had the idea of going into business, and while he feels the present venture is not a good money-earner, values highly the independence and free time it affords for other activities. Meantime he cherishes ambitions of moving into a much bigger scale of business and considers that a trade-store in one of the town's villages, like Hanuabada, would offer a most lucrative return.

¹ DB case file.

Miro, on his return from Australia in 1965, was for a brief time a cadet with an oil exploration company before joining the Australian Broadcasting Commission as an announcer at their Port Moresby station, hitherto a position filled by expatriate officers. During the next five years he became a popular broadcaster and found considerable satisfaction in the job, but resigned because of an increasing commitment to politics.

On his resignation he took up the offer of Sunset Milk Service in the belief that, like Tom's enterprise, this was a DB project. In fact, Sunset was a business established privately by two DB officers and one Administration employee, the latter in the name of his wife. Miro was subsequently offered shares as a bonus with the added incentive of buying the owners out at the end of three years. Once he realised the position, Miro now says he felt inclined to withdraw and would have done so had it not been for the publicity given to his resignation, his business venture, and the shame he would feel in opting out.

Since then Miro has proved himself to be a very competent organiser and manager. He employs two runners and would like to employ a supervisor so that he could devote more time to promotion of the business and to freelance broadcasting. Miro is selling around \$100 of milk a day, providing deliveries alternately in Boroko and Gordon. Resentful at earning good margins for others, two weeks before the end of the financial year, he declared that unless the business was transferred to him as sole owner by 1 July 1971, he would quit. The sale was arranged at a price of \$4,000, Miro paying \$3,000 at the time of transfer and undertaking to pay the remainder over an unspecified period. Like Tom, Miro would like to extend his business activities and has plans to build and lease refrigerated storage space on land held under customary tenure in the Koki-Badili area.

Both Miro and Tom are active in politics. They were foundation members of the National Progress Party, formed in Port Moresby in November 1967. Miro was also a member of the Port Moresby Local Government Council and stood unsuccessfully as a United Party candidate in the 1972 national elections for the House of Assembly.

Moresby Cleaning Service

The entry into business of another young man, Lahui was greatly facilitated by assistance from his former employers.

Lahui, like the two milk vendors, was educated first at his home village school, Hanuabada, and had two years secondary education at Sogeri, before being awarded a Reserve Bank scholarship for two further years in Queensland. He was one of the first three Hanuabadans to sit for the Queensland Junior examination and obtained passes in English, algebra, geometry, trade drawing and woodwork. In 1963 he joined the staff of the Reserve Bank in Port Moresby, returning to Australia in 1966 for a three-month course at Sydney and Canberra.

Part of his duties as a bank officer was to arrange for the cleaning and general maintenance of office and staff accommodation. When the bank moved into a large new complex it was decided that the cleaning service should be done on a commercial basis and bank officers suggested to Lahui that he might use this contract as the basis for a business. Lahui acknowledges that he received considerable help from the bank, not only in terms of advice but especially through the continuation of his contract in the early stages of the venture, the loan of cleaning equipment and the provision of bank housing until December 1971.

DB finance was obtained for the purchase of a truck, insurance and cleaning materials and DB officers assisted in quoting for an obtaining other contracts so that at present Lahui has as much work as he is able to cope with. By August 1971 he was employing ten workers including two brothers whom he intends training as supervisors. One was formerly a clerk with CDW, the other a mechanic. Both volunteered to work for Lahui and are on salaries of \$12.50 and \$18.50 per week. Lahui himself draws from the business the same salary as he received with the Reserve Bank, \$48 a week. Of the other workers, 4 of whom have been with the business from its beginning, 2 are from the Gulf District, 2 from the Western Highlands, 3 from Daru and 1 from Kairuku. Three are paid at the rate of \$9 a week, three at \$8.50 and two at \$8.

While with the Reserve Bank, Lahui was the first president (1965-68) of the Combined Indigenous Bank Officers Savings and Loan Society and was a member of the Commonwealth Bank Officers Association.

As with many other businessmen Lahui is sensitive to community pressures for help of various kinds. He claims that he accedes to demands for expenses such as electricity bills, funeral costs, and school fees, but that such advances

are made only to those who can be expected to return assistance and that pressures from others are resisted.

Ngaio Industries

Lari, like Lahui, comes from Hanuabada village. He received all his education in Papua New Guinea, leaving Sogeri in 1965 having attained form four, at that time the most senior level of education available. In 1966 he worked briefly as a clerk for one government department before transferring to the Department of the Administrator as an electoral clerk in the electoral office. Disillusioned with the lengthy consideration given to his application for status as a permanent officer in the Department, he resigned the following year and spent some months in Hanuabada, unemployed. However, during his time at the electoral office he had met a European woman who suggested to her husband, at that time looking for an indigenous partner for a paper products business, that he approach Lari. The latter decided to accept and after a trial period purchased 100 \$1 shares, of a total of \$1,100, the remainder being held by the patron M. Johnston. Lari later purchased another 100 and it was intended that he should in time buy Johnston out.

In May 1970 when Lari joined the company, Ngaio Industries Pty Ltd, they were selling paper bags and had a workforce of twenty-two men. Soon after that an agreement was reached with a competitor that Ngaio would deal only in the processing of paper towels and toilet rolls and the distribution of other paper products. With the reduction in operations the workforce dropped to sixteen men, from diverse tribal backgrounds with a predominance of Hageners and mostly accommodated in company quarters near the factory.

At this stage Johnston worked for forty or fifty hours a week at Ngaio though from the outset he undertook to introduce Lari to all aspects of the business. Johnston reports experiencing considerable difficulties in the early stages of management training. In particular Lari was unable to cope with stock control, the securing of orders and the flow of output through the factory. However, by October 1970 Lari claimed that Johnston called at Ngaio for one or two hours each day to assist with any problems but that otherwise he had full management control. Even so, a year later Johnston was still taking business trips to secure orders for the company. Apart from Ngaio, he has other

business interests in Port Moresby, as an accountant in private practice and as a secretary and director of a finance company.

In March 1971 Lari and Johnston approached the DB for finance to enable Lari to purchase 50 per cent of the shares. Negotiations have been extremely slow. According to Johnston, the procrastination is due to the fact that the venture is a joint one and reflects what in his view is the prevailing attitude towards an expatriate who takes on a Papua New Guinean partner: 'you must be mad or a missionary'. Writing on the same issue, Johnston has stated that

It is a sad observation to have to make that the pioneering of a native shareholding scheme in expatriate controlled companies invites the distrust of the Administration, the public and private enterprise alike....I have personally been accused of 'window dressing' to my own advantage as well as being regarded as a kind of racial 'turncoat' because of the indigenous director and shareholder of my own company.
(Thomason 1969: 88,90)

The evaluation of the bank was rather different. The loan would be used in part to pay out a loan from the finance company in which Johnston had an interest and which was at the time going into voluntary liquidation. A number of investigations have been made by DB officers, the latest in December 1971 claiming evidence of mismanagement and recommending that the DB take up a 90 per cent equity, Lari 10 per cent, and his services as manager to be retained pending satisfactory progress.

Finally, by March 1972 the DB approved a loan of \$40,000. This also entailed a new share distribution.¹ On the board the Australian paper manufacturer with a newly acquired interest in the company will have three representatives, the other directors being Johnston, Lari and another indigenous employee. There is a provision that Johnston's shares can be transferred only to local interests. Management will be unchanged with Lari as general manager. Part of the finance will repay the loan to the finance company and part will be used for a factory planned for a site in Gordons industrial estate. The loan is guaranteed on a fifty/fifty basis by Ngaio and the Australian concern.

¹ See p.56.

Ngaio, like Allied, has experienced considerable difficulties in sustaining growth rates, and especially in securing a steady flow of orders. From the outset, the existing tariff structure was such that it was possible for a major Australian supplier to export paper products to Papua New Guinea for a selling price lower than the cost to Ngaio of the imported paper. Johnston considered these were dumping rates and sought and obtained a remedy to the situation by having questions raised in the House of Assembly.¹ There were further difficulties in obtaining a pioneer certificate for the industry. Additionally, the Administration contracts secured by Ngaio, which comprise a large part of the company's business, pose special problems in that while they specify a certain number of units, the actual demand need not correspond to that figure. And there is often a sudden demand for large orders with a short-term delivery date. Both factors are difficult for a small local company to cope with, since given the scale of operations, a relatively small difference in yearly Administration requirements may considerably affect the profitability of the firm's operations, and in the case of sudden demands for large orders, it is generally not possible for a small company to have sufficient stocks on hand.

Again, as with Willie and Thomas, close personal ties have developed between Johnston and Lari. In 1967 Lari spent the Christmas holidays in Cairns with the Johnston family. When in 1969 Lari was sent on a business trip to a number of Australian cities, Johnston gave him introductions to a number of useful business contacts. Lari's style of living has probably also been influenced by his association with Johnston. He lives away from Hanuabada and is buying a house in a high-covenant area. His wife works as a secretary for a company in town and their children are cared for by a domestic servant. Both Lari and his wife have taken part-time night employment to further supplement the family income. Johnston and Lari have also worked together to establish the first truly multi-racial social club in

¹ Applications to the Departments of Trade and Industry may be made for assistance to industries by way of tariffs or alternative means under the Tariff Advisory Committee Ordinance 1969-71 (H.A.D., vol.II, no.5, p.1110, 16 June 1969).

Port Moresby, the Pagini Club.¹ Lari has recently been appointed to a national committee to consider the secondary school syllabus for schools in Papua New Guinea. All these interests reflect what Lari himself sees as an identification with a modern, ethnically mixed social world where financial gain and status are important. Speaking of 'the advantages of joint participation from the indigenous view point', Lari mentioned 'financial gain, status and satisfaction....Being a director and shareholder gives me a status, especially as far as my people are concerned in the same way as doctors and councillors' (Morea 1969: 82). He noted further:

My expatriate partner does not intend to remain permanently in Papua New Guinea and we have planned that I should take over the business when he decides to leave. This means that it would be solely native owned, even if I had another indigenous partner. This one very important thing always stick in my mind - that it would help not only my future but the future of my country and its people. I would now feel ashamed if I had turned down the great opportunity given to me to share in the success of a new industry (Morea 1969: 83-84).

Lari sees this desire to be modern and forward-looking as given most explicit expression in his refusal to contribute to brideprice and other traditional exchanges. Consequently, he is discharging all debts in payments made on his own behalf² and while aware of the disfavour with which his action is regarded in his family and in the village, says unequivocally that he is prepared to make a stand on the issue.

Conclusions

When compared with the older businessmen, the younger men described here have a different sort of background; they have moved into various types of business drawing on a range

¹ Established in 1969, the club hopes to extend its present bar facilities at Waigani to a variety of recreational facilities including sports fields and a swimming pool. It aims to keep indigenous members in the majority.

² Lari was married according to Motu custom at Hanuabada in 1965. The brideprice was around \$2,500.

of assistance available to them, they have developed new roles in relation to their businesses and their home communities, and they have a more sophisticated urban-oriented set of interests.

In terms of their background, all except Willie had some form of post-primary education, in three instances at boarding schools in Australia. Tom and Lahui both attended courses beyond that level. Willie was educated to standard six but later completed a formal trade apprenticeship. Most of Willie's job experience has been as a tradesman though as a salesman/demonstrator of welding equipment he developed skills in sales techniques and confidence in public relations. The others have had a variety of work, generally in white-collar jobs. They had no experience which was directly related to the type of business they later engaged in and they moved into business primarily as managers. All except Tom are married and all have wives with some education and job experience.¹

From being employees two moved into manufacturing (paper processing and steel fabricating), the others into service occupations (milk vending and commercial cleaning), all very different from existing Papua New Guinean business ventures in retailing and transport. In each case the impetus came from an individual expatriate or an institution rather than from the Papua New Guinean involved though all now claim to have long aspired to be businessmen. The role of expatriate individuals or institutions varied. Both Thomas and Johnston started in business with a view to handing over to a Papua New Guinean partner and both have strongly identified with their partners in dealing with the Administration, DB and clients. Furthermore, they have taken a personal interest in men they have come to regard in some sense as proteges. In a different context Lahui's former employees offered him every assistance in establishing his cleaning service. Tom was approached to take on a DB business through a personal connection with one of the bank's officers. Both he and Miro established commercial, non-personal relationships with their sponsors. Except for Miro, all have had dealings with the DB at some stage and in the case of Willie and Lahui with DBD as well. However, the extent to which this has influenced the control of the business has been minimised by the businessmen themselves. Rather than allowing DBD or DB field staff to assume a

¹ Cf Marris and Somerset (1971: 212ff).

mediating role they have themselves come to interact directly with the wider expatriate-dominated business community. Tom and Lahui have each had small loans which they have quickly repaid and from the beginning assumed direction of the enterprise. Willie, largely acting on his patron's instigation, has resisted any attempt at DB incursions into the running of Allied and has to a large extent been given the freedom sought. His ties with the DBD are through one officer with whom he has long enjoyed close personal relations. Ngaio's loan has not been made subject to any controls and full responsibility for the operations of the company lies with the board. Thus all the dealings with the DB or DBD have been defined to meet the businessman's terms and his independence has been little circumscribed.

Within the business itself these men have clearly defined roles as bosses and compared with the older men, fewer personal ties with workers. Again there are exceptions and both Willie and Lahui have employed kinsmen. In part the simple employer-worker relationship reflects the self-image of the businessmen, in part it is an aspect of the kind of labour force employed; typically, workers are unskilled migrants, engaged in activities which many urban villagers find unattractive. Where kinsmen are employed the distinction in status may be marked, as in Moresby Cleaners, by a noticeable difference between the wages paid to subordinates and the proprietor's personal drawings.

This does not mean that there is a lack of concern for workers: where feasible, accommodation has been provided and wages generally are fair by urban wage standards. In some cases these businessmen are dealing with a clientele hitherto untouched by indigenous businessmen. The milk vendors both have predominantly expatriate clients, Lahui has dealings with private companies as well as government, and while to a large extent both Ngaio and Allied rely on Administration contracts they actively promote their products with private firms as well. Like the older men, they want to expand their undertakings, but unlike them, all think in terms of reinvesting and building up their present ventures or of establishing related concerns.

In defining a role for themselves in their home communities the younger men have greater choice in that they are not yet truly established. As their families grow up they may identify more strongly with kin groups than they do now. And each differs in his present stance. Willie and Tom as migrants to the town are removed from their home

villages. Willie has a modern, well-appointed home adjacent to the factory and his response to visitors exemplifies what he perceives as an urban, business-like fashion. He has limited contacts with wantok in town and seldom visits Beipa. Tom on the other hand, associates closely with wantok and is proud of contributing to the cost of educating several children from his home. Lari has built a home in a predominantly European housing area away from Hanuabada. Miro and Lahui both live in their home communities though for a time Lahui lived in bank accommodation. Both say they feel it is important to sustain close ties with family and friends in the village and both consciously attempt to observe the conventions in ways which are compatible with the demands of business.

Beyond the village these men follow interests which again allow a clearer definition of roles. Thus they are involved in service clubs such as the Lions Club or the Chamber of Commerce, they are active in national political parties, serve on the education board. They have all travelled, both within Papua New Guinea or beyond to Australia and Southeast Asia for education, business and pleasure. They may also engage in intra-village activities in the church, clan and so on, but their wider concerns and experience relate more to business interests or considerations of personal status than to local community leadership positions. This seems to indicate a different set of models, a self-image projected in terms of perceived European business behaviour. And while there is a range of individual response, as compared with their older counterparts these men are assuming roles, identifying with groups and norms that clearly show marked differentiation.¹ Their notion of themselves as modern and progressive is in this sense apt.

¹ See the diaries of Walo, Yamo, Gotao as compared with those of Willie and Lari (Chapter 8). Socio-economic change may be viewed in terms of increasing role specialisation and differentiation. See, for example, Ogan (1972).

Chapter 5

BPC advisers and clients

[At business promotions centres and small industries centres] we are building a team providing managerial, technical and accounting inputs. (Matane 1971: 6)

Development has been hindered by a lot of personal indifference. I do not mind saying that quite a lot of people who are supposed to be business advisory officers just sit at their desks and answer their phones....It is time that some of these people got out and did some work outside to get the feel of the difficulties that Papuans and New Guineans must face when they go into business like this.

(Oala Oala-Rarua in H.A.D., vol.II, no.7, p.1898ff, 11 November 1969)

This chapter focuses on the Business Promotions Centre, the field establishment of the DBD and in particular on relations between headquarters and the field, the activities of the BPC and the SIC, and relations between field officers and their clients. At the headquarters in Port Moresby, the two divisions, business extension and co-operatives extension come under the administration of the departmental head (see Fig.1). In his view business extension

...has two types of officers - Business Advisory Officers and Technical Officers. Business Advisory Officers are consultants in matters of organisation and management, in finance, record keeping and accounting, while Technical Officers advise and assist in technical matters in the trades and manual skills areas.

In Port Moresby a BPC and a SIC are established. Generally a BPC consists of a number of business premises available to local businessmen at a low rental, and there is a lecture room which can be used as office space and for business courses or meetings for clients. The SIC has facilities for

training in such skills as wool weaving, pottery and light steel work (Matane 1971: 6ff).

Most of the staff at headquarters are former officers of the Department of Trade and Industry and many of the senior administrators have records of long service. Not surprisingly, given the rapid expansion of the extension services, field staff tend to have had a shorter association with the department and not infrequently, with Papua New Guinea also. In addition, because of the demands made in the Districts for extension services, staff are often posted to other areas before they have acquired a fair degree of familiarity with one.¹ Expatriate BAO's have experience in other government departments or in accountancy. Indigenous BAO's undergo two years of training, comprising course work and experience at local offices.

The Business Promotions Centre

The Port Moresby BPC in April 1972 had a staff of six, two expatriate and four Papua New Guinean officers. (There is, however, considerable fluctuation in staff numbers; at one time there were four expatriate officers and sometimes trainee officers are assigned to the centre.) The officer-in-charge is a migrant to Australia from Britain with previous experience in the colonial service in Nigeria. An accountant, he later worked in Australia and then with a large construction company in Papua New Guinea before becoming a BAO in 1971. The second expatriate officer has been in the country for ten years, first as a patrol officer in the Goilala and Mekeo areas. He then trained as a teacher but decided not to teach and instead went to Manus as a clerk, later transferring to the Taxation Office in Port Moresby. This officer is a fluent speaker of Motu and

¹ Hansard reports of House of Assembly debates give little account of development projects apart from construction of roads, bridges and schools in particular areas. Requests for the posting of BAO's however are frequently made.

Pidgin. He has been with the DBD since 1969, first in headquarters and later as a field officer at the BPC.¹

The relations between staff at headquarters and the BPC are often strained. When I asked the head of the department (February 1971) whether there were any priorities outlined by the policy-makers for officers in the field or whether they were allowed freedom of action, he replied that the reality was something of both - and then went on to elaborate on form-filling procedures. This is one of the major sources of contention. As well as filling in loan applications, tender forms, filing returns and so on, BAO's are required to keep a field officers journal as a record of daily activities, and complete forms recording all interviews conducted. BPC staff claim they are too busy dealing with a constant flow of clients to attend to such details while headquarters argue that these records are necessary to keep them informed and to allow a reformulation of policy. Even so, some at head office are aware of the difficulties.

An analysis of H.Q.'s directions to BAO's shows a tendency towards providing solely monetary accounting; recording good, bad or indifferent actions. Rather minute detail is required to be

¹ The ideal qualities which it is considered a BAO should bring to the job are quite formidable. BAO's

...must have sound knowledge of accountancy, mercantile law, company law, labour legislation and allied matters. They need to have had practical experience in business particularly at the level prevalent in developing countries. BAO's must also have knowledge and appreciation of the traditional economic structure, social customs and culture of the people whom they are to assist. They need to have ability to pass on their knowledge with patience and sympathy.

BAO's work in collaboration with various Administration Departments...private enterprise; missions and service organisations....This requires tact and a genuine give and take approach....Up to date information on new developments, changes in techniques and laws, etc. concerning business must be available to the BAO and he must make the fullest use of it. It is not enough for him to regard his duties as static. (Trade and Industry 1968: 8)

forwarded to Port Moresby which surely slows our operation down and is destined to burst the HQ filing system with a lot of superfluous rubbish when our scale of assistance rises to a national contribution... (Edwards 1969: 4).

The situation has apparently not improved in the interim. Centre staff consider those in headquarters to be unaware of the problems involved and unrealistic in their demands.¹ Further, both expatriate officers regard senior officers as self-seeking careerists without deep commitment to the work of the department.² On the other hand, staff at the main office have frequently complained to me of Port Moresby field staff's apparent unwillingness to report regularly on activities undertaken by the centre and in particular on the operations of the builders and on Buang Taxi Trucks.³

A further source of discontent is the organisation of the centre itself. Although one BAD was appointed officer-in-charge, it was decided on the return of the second from leave in December 1970, that the two expatriate officers should be allowed to operate independently. The two men have developed a completely separate range of interests, building in one case, transport in the other with little interaction or co-operation and less respect for the different methods each has adopted. It also means that tension may develop over the delegation of work to local officers and over the use of the vehicle place at the centre's disposal.

¹ As examples of the latter, one BAO cited a memo from a senior BAO in headquarters concerning the promotion of local businessmen through the mobilisation of existing capital resources. The memo stated that each BPC should be able to mobilise \$10,000 for this purpose, a figure the field officer regarded as completely unrealistic. Similarly in September 1971 another officer from head office directed a BAO at the BPO to undertake no new work. Again, the instruction was felt to be meaningless since new inquiries arose all the time and a refusal to deal with them ran counter to the field officer's concept of the centre's function.

² A reference to the fact that the most senior expatriate officers in the department are studying part-time, mainly extra-murally from Australian tertiary institutions.

³ See p.146ff.

Clients come to the BPC for various reasons; some to make casual inquiries involving no follow-up action; some become tenants, using BPC premises; others like the builders, have regular contacts with the centre; still others are visited by BPC staff; a few painting contractors are assisted in association with other government departments and finally, from time to time, projects are referred to centre officers by headquarters or the DB for further investigation. Not surprisingly with all this activity, there are some businesses with reasonable prospects for success, some failure, and a few plans remain impossible dreams.

Tenants. Although established in early 1969, the first spaces at the centre were not taken up until February 1970. The premises were advertised but there were fewer applicants than spaces available. And at no time has the centre been full. One local officer felt that the small numbers might be attributed to people's doubts, suspicions and lack of understanding about the department's intentions that the centre should provide low-cost accommodation, advice and other services only until the businessman can set up his own establishment. In fact, there are blocks of land for commercial and light industrial purposes adjacent to the BPC and the Department of Lands Surveys and Mines has indicated that special consideration would be given to local businessmen in the gazetting and hearings of applications for these leases. From the outset it was hoped that tenants from the centre would move to these blocks and so still be within easy reach of advisory services, in this way, there would be a flow through the centre of independent businessmen.¹

Most of the tenants of the BPC have been small motor garage repair shops, with one panel beater and spraypainter, and more recently painting contractors.

The mechanics and panel beater have similar backgrounds though rather different careers in business. With the exception of one man in Hamatopa Garage, none completed an apprenticeship. All had a limited formal education and have subsequently worked with various garages in the town, picking up what knowledge they could from expatriate and

¹ Two blocks have been applied for in the name of the DB, one for Wokabaut Footwear, the other for Strongbuilt. Hammond Motu and the building contractors are expected to develop workshops on another.

senior local supervisory staff. As unqualified mechanics they received poor pay, poor working conditions and scant security. There was little risk involved, therefore, in deciding to 'try business'. At various times there have been five garages and one panel beater at the centre.

Today, only one mechanic, Saroa, is still working from the centre; Francis and Lolo were evicted and found themselves new premises. The others collapsed: Motu Motors after charges of theft created a rift between the partners, and Hamatopa and Boga from the non-availability of work. All, whether tenants, leavers or losers, faced similar difficulties. One factor working against the build up of regular customers was the lack of confidence felt by many Papua New Guineans in the quality of the service offered. Most truck and car-owners preferred their vehicles to be repaired at an expatriate-owned garage and so tended to approach the local businessman only when short of money. This in turn presented a further problem for the local businessman. Some insisted that the owner of the vehicle pay for all spare parts required before beginning the job but even then it was frequently impossible to get payment for labour. As a result the yard around the workshops soon resembled a used-car lot with broken-down vehicles representing outstanding debts for the garage owners.

All started with few tools, and no guarantee of custom but with high hopes for success and ambitious plans for the future. Hamatopa, for example, wanted to set up two garages, one in Port Moresby and a branch shop at Bereina on land held by one of the partners. Four men were involved in this venture. They are from different backgrounds and in age range from twenty-four to fifty-two. Only one partner had any formal training beyond an elementary primary education and he had completed a technical course at a mission school and later an apprenticeship as a motor mechanic. All four, however, had considerable experience as mechanics in garages in Port Moresby and it was while working together at the one large company that they decided to form the Hamatopa partnership. The business began well. All accounting and banking services were provided by BPC staff, there seemed no shortage of work, and the partners co-operated in keeping records of work done. A profit and loss account for the first few weeks trading showed a fairly high return and the record was considered satisfactory. At the time an officer commented 'This business is considered to be most encouraging. The four partners are showing a most responsible attitude and appear to be well aware of the

problems in front of them'.¹ However, tensions soon arose within the group over whether money should be spent on a vehicle suitable for towing, over hours worked by individual partners, and over the distribution of profits. In December the youngest of the partners pulled out. An attempt was made to increase the work available to the garage by directing Buang trucks to Hamatopa and Motu Motors for regular servicing and repairs. By mid-1971 this arrangement had broken down. Mistakes had been made through lack of adequate supervision and Buang businessmen preferred to go to a European-managed station. By September 1971 the cash assets of the business were very small. The remaining partners finally left the BPC and business early in 1972 to return to jobs in expatriate garages.

Motu Motors, a group of three men, set up in the BPC in November 1970. The driving force was a colourful character, completely self-educated, given some technical training in blacksmithing, welding and plumbing through the Catholic Mission in Rabaul and thereafter working as a fisherman, crocodile hunter, and labour recruiter as well as mechanic. He and two partners, like himself mixed-race, borrowed \$1,200 for the purchase of equipment for the workshop. The money was provided by the cousin of one of the partners, a man awarded compensation and insurance monies after losing his sight in an accident at work. No records are available for the venture, and perhaps not surprisingly the break-up came in May 1971 over allegations of misappropriation of funds.

The tenure of Boga at the BPC was even shorter. Boga had a variety of job experiences, scarcely any connected with motor repair but he decided to respond to an advertisement in the newspaper about the availability of business premises for indigenous businessmen. At this time there were four garage repair shops at the centre and after a few weeks without work Boga returned to his 10 acre block at Bootless Bay to carry on the fishing and gardening activities that had formerly been his livelihood.

There would appear to be little to distinguish Saroa from those who have gone out of business. A young man of thirty-four, Saroa received a primary education at the LMS school in his home village of Gomore before working in Port Moresby for ten years as a mechanic. Late in May 1970 he decided to

¹ BPC file 5-1-17/3.

establish himself independently at the BPC. He employed two standard-six school leavers, both classificatory kinsmen, as labourers in the workshop. Progress has been slow and at times the business has looked very shaky. From the record of receipts for a two-month period and working on the basis of potential chargeable hours at the rate of \$3 an hour it was apparent that his earnings derived from approximately 22 per cent of the possible total of productive hours.¹ In mid-1971 a BAO reported that he had almost given up since after a year in business Saroa had still not saved more than a few hundred dollars. The usual explanation of too much time being spent on work for non-paying wantok was proffered. Personal drawings were modest and insufficient work and the incapacity of customers to pay probably account for the lack of capital build-up.

However, from the beginning, Saroa has had a clear goal - to build a workshop on clan land along the Rigo Road at the KapaKapa-Hula junction. He has worked doggedly with this object in view and as a sole trader has at least not been subject to the pressures which led to the downfall of Motu Motors. By April 1972, after almost two years in business, Saroa had accumulated \$700 in savings and had an offer of a grant of \$1,500 from an oil company (in effect a prepaid petrol rebate). This should be sufficient equity to obtain a DB loan to finance the building and equipping of a trade-store/garage workshop centre at an estimated cost of \$7,500. The loan application is at present under consideration, a clan land agreement has been obtained and the project should now go ahead without further delay. Already Saroa has bigger plans. He intends to install a freezer in the store and will sell locally caught fish. He claims also to have encouraged his brothers to plant extra gardens to have surplus produce to sell and hopes to promote a cattle project on some adjacent land.

The two businessmen who were evicted from the centre re-established themselves elsewhere. Francis a migrant to Port Moresby from the Sepik District, began business by doing repairs after work in the yard of his Hohola home. This was not allowed under the terms of the tenancy agreement with the Housing Commission and his lease was terminated. He then applied for a BPC workshop though he now claims that from the beginning he considered facilities there inadequate and competition too keen. Francis was considered by centre staff

¹ DBD file 45-7-41.

to be uncooperative and on occasion his rent was in arrears. When he became involved in a fight with the caretaker he was asked to leave. Francis then approached the manager of STC and asked if he might convert an old disused building owned by the company at Koki, into a workshop. The company agreed and offered him rent-free accommodation until January 1971, since which time he has paid \$10 weekly. Francis claims that at Koki business is better than at the BPC largely because it is near the town's market. He values also the greater freedom and independence. And from the simple records which he keeps, without the benefit of any outside assistance, Francis would appear to have very similar work patterns to Hamatopa. At the Badili workshop Francis employed two labourers, his wantok, who refused to work to time and were held responsible for missing funds so were dismissed. Francis then employed one man from Hagen and one from Rigo and claimed they were more satisfactory. These workers were paid \$10 a week each, Francis's own drawings depending on the level of business. There was no accumulated cash surplus.

Lolo was another tenant considered by BPC staff as troublesome. He worked as a waiter, store assistant, clerk and driver before learning panel beating and spraypainting on another job and deciding on that basis to set up in business as a panel beater. In his BPC workshop Lolo employed three kinsmen and a former workmate from Madang, all on \$8 a week. In terms of income and profitability rates, Lolo's work record over his first months in business appeared good. Personal drawings were also continued even when, as with the other workshops, the cash inflow declined. Lolo's bookwork was done by centre officers; they held the cheque book and arranged payment of accounts though Lolo had the power to sign cheques. In order to circumvent this system, much to the chagrin of staff, Lolo began drawing counter cheques at the bank, apparently for parts or materials for jobs, but he then declined to inform officers of his actions. On another occasion he received a large cheque for a job and used it to open a personal account, again without advising the BAO. The result was that cheques made out by the BAO and signed by Lolo to clear a small \$300 DB loan were on three occasions dishonoured. A note on the file of the business reads, 'Lolo is still proving a headache - it seems impossible for him to play straight with the office'.¹ Perhaps not surprisingly, as soon as

¹ DBD file 45-6-14, 20 November 1970.

the loan was repaid (July 1971) the workshop lease was terminated. Lolo, like Francis, is now renting a large workshop and yard at \$18 a week. Panel beaters are much in demand and Lolo claims that business is good. He commented that he felt much better being able to work free from official interference.

Workshop activities. It is difficult to calculate how much time was spent in each workshop on paid job activities. Wantok frequently came to repair vehicles, either with or without the assistance of one of the proprietors; others found casual employment in the workshop, perhaps while out of work and in return for a few dollars, cigarettes or food; and others came merely to stand and talk, chew betel nut and idly inspect the work going on. As with small 'backyard operators' everywhere, these workshops became social centres, holding a fascination for small boys, visitors and casual passers-by alike. Tables 5.1 and 5.2 set out job activities in Hamatopa Garage and Garage Koki, the workshop set up independently by Francis after his eviction from the BPC.

Table 5.1

Hamatopa Garage: work patterns,
10 December 1970 to March 1971

Week*	I	II	III	IV	Others	Total hours	No. of jobs
1	11	4½	10½	6	6½	38½	9
2	7½		11½			19	5
3	10	3	15½			28½	14
4	7	21	5½	7½	5	46	13
5	21	22½	25½		6	74	16
6	6½	13½	14	12½	7½	54	7
7	5½	1	10½		5	22	5
8	14	5	5		4	28	3
9	21½	9¾	20½			51¾	12
10	2	66¼	3½	2	2	15¾	6
11	2	1½	9½		10	23	5
12	4½	1	7		½	13	11
13	1	1	3¾			5¾ +	4
Total	113½	90	142¼	28	46½	419¼	133

* There were on average approximately ten jobs spread over thirty-two hours per week.

Table 5.2

Garage Koki: work patterns,
2 July to 21 October 1971

Week*	No. of jobs
1	7
2	2
3	5
4	1
5	5
6	3
7	5
8	4
9	3
10	5
11	4
12	3
13	5
Total	52

* On average four jobs were completed per week. No records were kept of hours worked. Casual labour was employed but no records are available and the major part of the work was done by Francis.

Of the 32 customers attended to during this time about whom something was known, 13 were members of the Buang transport group. This is a reflection of an attempt by BPC staff to channel Buang repair work and general servicing to mechanics based at the centre. Six jobs came from staff of the BPC or SIC and another 2 from Hula Builders, a BPC-based concern. One customer was related to worker I, one known to worker II through taxi driving and one was a friend of worker III. For the rest six were known simply as good customers and one as a bad customer. Apart from three BPC staff members, Hamatopa had one European customer.

In the case of the 37 customers known by name to Francis, 20 were simply categorised as customers (3 of them expatriates), 8 as members of the Buang transport group, 6 as friends and 3 as wantok. Francis claims that where

no further details are available for a job they would generally be for casual European customers. Most Papua New Guinean custom is said to result from the recommendation of friends.

Between workshops at the centre there was sometimes considerable ill-feeling and jealousy over standards of workmanship, rates of charging and the borrowing of tools. At other times there was clearly some co-operation and I do not know in any detail the links between the different establishments in the centre at any one time.

From the viewpoint of centre staff, these small businesses posed a number of problems. Most businessmen had little experience in dealing directly with customers, in estimating the cost of a job, or in contacting suppliers. Not surprisingly, many lacked confidence, especially in contacts with Europeans. Promotion work, whether by soft selling or hard bargaining, was impossible for them. None of the centre staff have any technical training and so were unable to advise on the reasonableness of quotations and charges for work done, or to check on the quality of repairs. BAO's are also not trained to develop these abilities in clients. And in at least one instance the businessmen themselves had no perception of their altered circumstances. The BAO reported that Hamatopa partners asked that their personal drawings be issued in pay envelopes and this he felt was indicative of their conceptualisation of the BPC in terms of 'us the boys on the workshop floor' and 'them' in the office. This orientation would be fostered also by reliance on office staff for bookwork, banking and important decision making.

Clients. Other clients are visited periodically by BPC staff. Most businessmen in this category are tradestore owners and at least in the past much emphasis has been placed on their activities.¹ Typical in every respect except its longevity and turnover is the Vabukori store of

¹ No figures are available for tradestores according to local areas. Figures for Papua New Guinea for 1968-69 (the most recent available) show that of a total of 6,486 tradestores, 63.9 per cent had annual turnovers in the range of \$100 to \$300 and 98.3 per cent had an annual turnover of less than \$3,000. Most of the numerous village tradestores in the Port Moresby area would be on this small scale.

Gau. A man of about fifty years old, Gau, like most men of his generation, had a very limited formal education. However, before setting up his store in 1964, he worked as a messenger, a store assistant, driver, labourer and builder. Today he appears to have a flourishing business with a store well stocked with around \$200 worth of staple food stuffs, varieties of canned foods, cigarettes and tobacco, household cleansers, soft drinks, clothing sewn by his wife and so on. Over the years Gau has developed a simple system of using the takings of the previous day to pay for purchases for the next. Any surplus is banked in a savings account. This means a daily trip to town in his station wagon; business is often combined with visiting friends or looking around Koki market. During his absence the store is looked after by his wife and again, like other village stores, the hours of trading are long. Gau keeps dockets for all purchases from suppliers and carefully records each sale in a notebook in order to reconcile the cash box and estimated takings.

Every year a BAO calls at the store, collects the dockets and books, makes out a statement and files a return for income tax purposes. According to figures drawn up from Gau's own entries, purchases for the twelve months ending 31 June 1971 were just over \$30,000 and turnover considerably in excess of that. The figures for purchases, derived from dockets and invoices and checked independently, should be reasonably accurate. The turnover is more likely to be an overestimate: Gau does not work on a set mark-up, there is probably some loss from credit, and it also seems likely that money and goods from the store are contributed to village feasting and exchange activities. Certainly, at the end of 1971 Gau had very small cash reserves.

When a statement has been worked out, a BAO again calls on Gau and carefully explains both the statement and the obvious error of his ways in having so little cash from such a business. In fact, Gau is scarcely literate in English and finds most communications from the BPC, whether by direct contact or letter, incomprehensible. Nevertheless, the store continues to function, much as it always has, with some kind of cash given as gifts or credit. I have been unable to work out the nature of this balance but for Gau, its maintenance is clearly more important than understanding any system of book-keeping.

A rather different kind of relationship has been established between the BAO and Tali who, in May 1971, with

DB finance, bought the hairdressing business of his former employer. The business changed hands for \$6,000 including goodwill, furniture and fittings with Tali providing a \$500 deposit and the balance through a DB loan with repayments calculated at \$220 per month. Since the transfer the BAO has visited Tali at least once a week. He does all the bookwork and arranges monthly repayments to the DB. Advisory services will continue until the bank loan is repaid. Sometimes the advice becomes more that of direction. In November 1971 it was proposed that Tali move to other shop premises in the same arcade. All negotiations were between the owner of the building and the BAO; the latter made the final decision and Tali had only to accept. Day-to-day shop management and the employment of staff, however, are Tali's prerogative.

A rather special case originally based at the BPC is the Buang Transport group (Nork and Andrews 1972). This group in April 1972, comprised thirty-four unskilled, Pidgin-speaking Buang migrants from the Morobe District. They came to Port Moresby, often after working in other centres, to find employment as domestic servants. Some have moved into business as passenger motor vehicle operators¹ either as owner-drivers, or as owners, employing a driver, while they continued in domestic service. Each truck is financed under hire purchase agreements with the deposit coming from a number of share contributions. Thus the thirty-four members have the backing of over 300 shareholders. Ownership, however, is in the name of one man. In addition, the group as a whole has an identity and share contributions are made to the leader to buy 'company' trucks.² Since July 1971³ some members have invested in a new type of 'taxi truck',³ distinctively painted in cream and blue with bright yellow vinyl flaps over the windows, black and yellow dots painted on the sides and Buang Taxi Truck marked prominently on the door. These mini-buses now have a prominent role in the town's public transport system.

¹ A Passenger Transport Control Board oversees the licensing of trucks as PMVs for the carrying of a specified number of passengers. Most are owned by Papua New Guineans.

² At that stage the group was an informal one and the term company adopted by the men themselves had no legal reference. Since then Buang Taxi Trucks formed a co-operative.

³ Also licensed as PMVs, these are trucks with a special cab fitted with seats mounted on the chassis.

Until early in 1972 the Buangs operated from the BPC, had a petrol pump and mechanic there and employed a clerk to keep records for each member. 'Company' affairs are administered by a committee consisting of a president, vice-president and three ordinary members. The clerk as secretary is usually present at meetings and the BAO also frequently attends. Committee members were elected firstly on a local basis so that the three divisions or congregations defined by the Lutheran Church are each represented. Secondly, positions of prominence in kin group, the church and a wide range of experience away from the home area were considered relevant. These men thus have more status than most leaders of truck-owning groups where higher contributions of finance or taking the initiative in buying a vehicle is a sufficient basis for leadership.

Since early 1971 the BAO with the assistance of a local officer, has been attempting to organise, formalise and generally make the enterprise more economically viable. Courses have been held in record-keeping, insurance, banking, truck maintenance and road rules. A system of record-keeping has been introduced. In all this, the BAO feels he has met with little result and numerous frustrations. The leaders of the group agree to all his suggestions and then almost invariably act contrariwise, partly because concurrence would be seen by members as weakness in the leaders. Moreover, the leadership itself is divided between two men, each of whom commands the support of members from different villages. Further, not all members support the Buang pump, the profits from which are supposed to pay the wages of the clerk and mechanic. Takings from the pump are often missing. Petrol is given on credit and at times no record is made.

From the migrant's point of view, running a truck is seen as a means of getting ready cash. There is no understanding, despite the course, of such concepts as profit and loss or depreciation. Indeed, the concept of profit is not applicable though the term, here signifying all income deriving from a bisnis, is often used.

In 1970 there was hardly a single person who could work out his profit or loss, neither was there anyone able to set a target for profit-making. Rather were they interested in the actual levels of income earned. If the income was lower than expected they advised their drivers to work harder.

Thus, most truck owners work out from experience a level at which they think 'good money' is being earned. Good money does not mean a profit, it is simply an acceptable minimum of return.

(Nork and Andrews 1972: 14)

Perhaps for this reason the idea of meeting targets has won acceptance and produced results from some operators. Thus costs worked out at 12c a mile meant little but a weekly target of \$160 made sense. Association with the BPC and BAO is valued in order to learn about bisnis rather than as a means of actively running an enterprise. Moreover, many consider it desirable to channel takings to their home villages, new truck purchases being financed from further share contributions in Port Moresby. In their villages a few Buang businessmen have now established poultry farms, piggeries and cattle projects, and rural, home-based businesses are the ambition of many more. In the village the status of such men is high. When one truck operator recently visited his village he was treated as a big-man,¹ feted and feasted and presented with all manner of gifts.

The BAO considers that the operation in Port Moresby should be a very profitable business. In fact, many operations are marginal and some trucks work at a loss. Faced with communications discontinuities and conflicting sets of aspirations, the BAO has resorted to tough measures, dismissing unsatisfactory pump attendants when the leaders refused to do so, threatening eviction and more recently endeavouring to arrange for an expatriate to manage the group. Such moves are greatly resented by Buangs and it is doubtful if a 'success' can be made of the venture under these circumstances. At the same time, the officer himself is subject to continual requests from headquarters for profit and loss figures. The head of department has written to the BAO that the operation of Buang Taxi Trucks may be considered illegal and that if a prosecution is made he cannot expect departmental support.²

¹ Cf Sankoff (1969: 61-81); Ploeg (1971: 47-62); Ploeg (1972: 280-95).

² Buang Taxi Trucks is registered as a business name. So far as group enterprise is concerned
 ...Section 14(3) of the Companies Ordinance 1963-68 provides that 'an association or partnership consisting of more than twenty persons formed for

Projects. Apart from casual inquiries¹ and work with tenants and clients visited on a regular basis, BAO's may take up a particular scheme which has attracted their attention, other government departments may seek the assistance of BPC staff, from time to time UN specialists are attached to the DBD and they pursue their interests often through field establishments, and increasingly inquiries are received from expatriate businessmen about the possibility of local participation. As in other aspects of BPC work the outcome varies, though mostly the record is one of non-events. A few instances may be noted here as fairly typical examples.

One idea that has occasionally been promoted from within the department is that of a district development corporation. In October 1970 a senior officer from headquarters held a meeting at the BPC to introduce leading local businessmen to the concept. He spoke strongly in favour of developing a corporation, aroused considerable interest and formulated all manner of glowing prospects and future plans, including bicycle assembly, manufacturing industries, and a wholesale food market. A few further meetings were held, in more desultory fashion, and then nothing more was heard of the

2(continued)

the purpose of carrying on any business which has for its object the acquisition of gain by the association or partnership of the individual members thereof' is illegal unless incorporated under that Ordinance or formed pursuant to some other ordinance or letters patent. (Nash 1970: 28)

The Transport Control Board also has regulations regarding stops and routes for PMVs and buses. Buang Taxi Trucks may contravene these at times. The BAO considers that in such circumstances he should advise the client on what the law prescribes but should not police that law or withhold services from a client because he chooses to break the law.

¹ Some inquiries would appear to merit further attention. For example, in May 1970 an indigenous bricklayer approached the BPC with a view to establishing his own business. Similarly, an approach was made in October 1970 by an electrician holding a limited licence (restricted to the handling of domestic appliances) and with \$800 to invest. On both files it was noted merely that these should be followed up.

development corporation. At the same time M.S. Nadkarni, a visiting UN industrial psychologist, held meetings with businessmen to discuss the possibility of holding management training sessions and of setting up an action project as an experiment in the training of entrepreneurs. The training sessions were not continued and despite assurances of support from the Administration and leading European businessmen in Port Moresby the plans were never realised. Also at this time a UN ceramics expert with the SIC was training school-leavers in the use of the wheel. It was hoped that craft industries might be blended with traditional skills and provide a means of making money for otherwise unemployed persons. The expert also wanted to include the manufacture of clay bricks and cement structures but claimed to have received scant support from government officers. Nadkarni is currently (December 1971 to December 1972) attached to the department for a second term with special duties in the training of BAO's and co-operative officers. Another UN expert is promoting a silk industry in the Southern Highlands. Permanent officers in the department tend to resent the special status accorded visiting experts and consider they are given too much support.

In June 1971 a proposal to sell two expatriate-owned shoe shops came to the notice of the DBD head and he enthusiastically advocated that the department, in association with the DB arrange for their purchase, thus promoting the involvement of local women in business. Some women were approached and their interest gained. However, from a very preliminary investigation, the business looked economically unsound. Top-level discussions were held and after protracted negotiations the proposition was discreetly dropped.

A driving school was another offer presented to the BPC. This time my assistance in finding interested investors was sought. Again meetings were held with the expatriate proprietor, the enthusiasm of the prospective new owners aroused, and then, again when the economics of the enterprise were found to be shaky, that file was also closed.

In February 1971 an approach was made to the department by the owners of major tradestore holdings at Koki proposing that an equity shareholding of 51 per cent be transferred to indigenous interests. The assets of the company were in excess of \$300,000 and statements for the year ended 30 June 1970 showed a net profit from the two stores of

over \$20,000. The proposals were forwarded by the owners to senior officials of the Administration in Port Moresby and to the department of External Territories in Canberra. A local businessman was also approached by the company. No reference was made to BPC field staff. The matter was left unresolved in a letter of 19 May 1971 from the DBD head to the owners advising that the department would

keep your proposals to the fore front and, if any prospects present themselves to us we will contact you and continue negotiations. I am not very confident that we can find these contacts in the short term and therefore suggest that you do your utmost to identify the local people who may be interested in taking the necessary type of action...¹

In June 1971 a construction company proprietor proposed the transfer of his business to a number of workers. At the same time the owner of a small joinery workshop sought advice on some form of local participation. In September 1971 a mobile food business was offered for sale to Papua New Guineans and a transport company proposed transferring half of its shares to four local employees. None of these projects has been developed further.

Other government departments have also worked in conjunction with the DBD. Thus since the early 1960s CDW has awarded small general contracts such as cleaning drains, cutting grass and particularly painting, to the principals of small gangs working on a day-labour basis. From time to time CDW approached the DBD over the fostering of such contractors. Thus in December 1969 the Director of Works approached the Acting Director of Trade and Industry for assistance in promoting painting contractors. The reply referred to the general lack of capital and minimal educational requirements considered necessary for the development of independent contractors and suggested that

under the circumstances it is considered that your department in the first instance, should assist contractors with basic equipment. They should be informed that they must have some money from each contract to use as a deposit on the required equipment. If they do not make any attempt to do this, say within the first two months, they should be dismissed and replaced.

¹ DBD file 45-8-12, f.24.

If the above arrangements are agreeable to you, this department will assist wherever possible¹ in the recruitment of indigenous contractors.

By October 1970 two gang principals after long employment with CDW were reported to be well on the way to becoming independent contractors, each employing about twenty men, and operating as Moresby Painters and Papuan Painters. In 1971 Moresby Painters and Papuan Painters stored equipment and painting materials at the BPC. However, practically all their work has come from the CDW and two expatriate CDW employees have provided management services. Since 1970 accounting services have been provided for a fee by a paint manufacturing company with whom the contractors deal.

A fairly major business, at present in the planning stage, and promoted by the DBD, to date shows little result. Late in 1970 applications were called for a theatre lease for a site at a new commercial centre at Waigani. There were a number of applicants, the main contenders being a New Guinean woman experienced in the management of an existing group of theatres, and an expatriate manager of a theatre in Port Moresby catering especially for Europeans. In giving evidence before the Land Board, the woman proposed to form a company of indigenous shareholders, to build a theatre at an estimated cost of \$25,000 and to screen programmes suitable for Papua New Guinean patrons. The expatriate proposal in terms of expenditure, was much more attractive with provision for two theatres, one for European-type programmes, the other for Papua New Guineans, a restaurant and parking facilities. The lease was granted to the expatriate but revoked on appeal. A rehearing was delayed until October 1971 when the woman, as the only applicant, had her submission approved. However, there have been delays in securing finance and since a date for improvements to the land is written into the terms of the lease, there is a possibility that nothing further will eventuate.

The Small Industries Centre (SIC)

The second field establishment of the department of Port Moresby is the SIC whose technical officers give advice to local businessmen; and experiment with and

¹ CDW file 69/2910, 24 December 1969.

promote new products suited to local businessmen. In March 1972 staff comprised three expatriates, one expert in handloom weaving, another in pottery and the third a qualified plumber. In addition, one local officer, trained in pottery, and another clerical assistant worked at the centre. At this time it was considered desirable to integrate more the work of the BPC and SIC and the plumber was shortly afterwards transferred to the BPC as a technical officer with special duties in the fostering of building contractors working through the centre.

Acquired almost by chance, the centre still seems to have no clear function or policies, though recommendations have been made. One report advocated training schemes in fencing, plumbing and handiman building, the rolling and fabrication of rainwater tanks, spray painting, basic vehicle repair, arc welding, blacksmithing, refrigerator repairing, rope-making from pandanus root fibre, fish net making and fish smoking, simple boat building and stabilised earth brick-making; after the course the trainees might be established independently in business.¹ In fact, the work of the centre to date has simply involved promoting crafts, weaving and pottery, taking young, unemployed male school-leavers from welfare centres and training them in the use of a loom or potter's wheel. It is hoped that they will become independent craftsmen able to stimulate cottage industries in their home villages and at the same time cater to the demands of an increasing tourist trade. Three weavers are now working for themselves though with SIC supervision, advice and sales outlets. It is too soon to know what their income will be and they show no desire to return home to establish a 'business' there.

Conclusions: DBD, BAO's and businessmen

In considering relations between headquarters and field establishments it should already be evident from the discussion of policy that the broader policy to this aspect of development and the consequent political pressures impinging on the department have not resulted in the formulation of any defined policy guidelines within the DBD. There is no set of priorities, no projects specifically detailed for the guidance of staff working to promote

¹ DBD file 4-10-70 (nd).

Papua New Guinean business. Instead communications from head office are basically of two kinds. Firstly, information compiled by headquarters staff is distributed to BAO's and technical staff. These may be booklets on such activities as truck operating, tradestore management or investment. This enables field staff to hand out information in response to requests from clients. In addition, a research officer has compiled data on the requirements, estimated costs and expected returns in setting up a number of enterprises. These are designed to provide reference material for BAO's confronted with inquiries for assistance in establishing such businesses. Secondly, there are directives requiring a response. These may be requests to follow up business proposals which have initially gone to head office. More frequently they are administrative requirements: returns of tradestore owners, PMV operators, clients dealt with or interviews conducted. The preparation of such returns is time-consuming and so resented, especially since no clerical assistants are posted to centres. For their part staff at headquarters claim that such returns are a necessary part of the decision-making process even though policy to date has been ad hoc and diffuse to an extraordinary degree.

A striking feature of the organisational structure of the DBD which in part reflects and in part fosters this lack, is the differentiation of functions in the central and local operating units. In headquarters there is much expressed concern with planning, little with implementation, the latter being the prerogative of field officers. Conversely, representatives from the centres are not included in planning for decisions.¹

As a result of this lack of direction staff have dealt with proposals mainly on an ad hoc basis. The work of the centre has not been actively promoted and partly for this reason the range of activities has so far been fairly limited.

The attitudes of staff members in both centres towards their clients, and of the local people towards the officers, is difficult to gauge. Some officers are sensitive that their advice may be construed as a demand. The temptation to make use of such power, especially in the case of businessmen viewed as recalcitrant, is often yielded to.

¹ Cf Vente (1970: 100).

Some officers are also aware that many businessmen in their presence will say whatever they consider is the appropriate response and then act in accordance with their own wishes. This communications problem is a very real one. One businessman when asked, somewhat facetiously, by a BAO if he had enough cash to pay for an order, said later he felt badly insulted: 'He treat me like a small boy, he bloody thinks I'm no good', was his comment to me afterwards. 'I wanted to walk out, but don't want trouble, he might not like me, so I knelt down and said nothing.'

On the other hand, businessmen may identify strongly with the BAO. Early last year it was stated that one of the expatriate BAO's would be transferred to Kieta. Local businessmen protested strongly and made personal approaches to the head of the department. One leading businessman's comment that once again, after building up trust and confidence in an officer, all would be destroyed and projects collapse, was endorsed by many others. According to him, 'If the department has that sort of policy we might all just as well give up and go home to the village for a quiet life, some fishing and no worries'.

To a large extent the response to the BAO reflects the requirements of the individual businessman. The casual client may be satisfied with a simple answer to a query, assistance in filing a tax return or completing a licence. For clients such as Gau visits to the village store to assist in stock-taking and the drawing up of a probably inaccurate yearly statement would seem to offer little benefit. However, for the businessman embedded in village society, a visit to the centre or a call by the BAO may be important for his maintenance of a balance between the demands of business and community: the department and its¹ representatives provide him with a wider reference group. Moreover, it is interesting to note that BPC clients when compared with DB clients, have links with a much wider network of local businessmen and again this may be important in providing² a reference group and a sense of identify as a businessman.

¹ Cf Moulik (1973).

² See Ch.8. While casual encounters at the centre and meetings organised there contribute to this pattern of social interaction, most BPC clients are 'traditional' urban villagers with existing ties whereas many clients closely tied to the DB are migrants to Port Moresby.

Clients visited at a business operated outside the village context, such as Tali, benefit from BPC contacts in a very practical way. At least in the early stages, assistance in dealing with the payment of rent, wages, loan instalments and such like is of value.

At the centre itself tenants have been purely self-selecting and at no time has there been pressure on facilities. Most tenants have engaged in the one type of business, having decided to take advantage of the cheap workshop space by some personal connection with those already operating. Typically these motor repair shops have begun well and then faltered or collapsed. There are a number of possible explanations for this. The centre is away from main traffic routes and this reduced the likelihood of attracting passing trade. No attempt was made to assess the capabilities or overcome obvious weaknesses of the would-be businessman. Staff gave assistance with the keeping of job cards and other records, with banking and book-keeping. In view of the clients' lack of experience and confidence in dealing with such matters, these were necessary and useful services but they also came to be resented. Lolo and Gau especially regarded them as interference and refused to co-operate.

Finally, those clients dealt with in conjunction with other departments such as CDW are perhaps inevitably handicapped by a lack of co-ordinated effort.

Ideally, in the official view, in this situation as with all clients, BAO's should provide 'technical, accounting and managerial inputs.' The latter is considered especially important and was stressed in an address by the Minister for Business Development in which he said, 'I am acutely conscious of the high mortality of indigenous businesses. This is because our businessmen lack management disciplines.'¹ Yet it is beyond the resources of the centre to provide what are acknowledged to be necessary inputs. Accounting services can be provided. Technical skills, as in the case of the garage workshops, cannot be developed by BAO's and under its present staffing the BPC can provide technical assistance only in building costing, plumbing and steel fabrication. And significantly, BAO's are least equipped to provide

¹ Mr D. Mola, address to the Papua New Guinea Institute of Management, Port Moresby, 1972.

management services. Most have no training themselves in this field, nor do they have contacts with expatriate firms or institutes whereby they might utilise outside specialist services.¹

Three main trends may be discerned in relations between field staff and clients: the relationship may become one of dependency in which case development is generally slow or negative; alternatively, the role adopted by the officer may give rise to resentment and aggression, resulting in the client leaving the centre. More usual is some form of accommodation with ill-feeling tempered by an awareness of the benefits conferred by or expected from an association with BAO's and by the businessmen's lack of self-confidence. In dealing with expatriate proposals to transfer businesses or engage in joint ventures DBD officers have produced few results. In part this reflects the suspicion with which such proposals are regarded, a suspicion founded not unreasonably on the fact that a number of proposals have come from the owners of marginally viable business, anxious to quit the country.

Staff at the SIC have the same sort of relationship with head office, and have to cope with the same lack of resources. However, in relation to their clients, trainee craftsmen in weaving or pottery, they are technically better equipped since officers have been assigned to develop a particular craft industry in accordance with their own personal field of competence.

Overall, the record is one of discontinuities between staff in head office, in field establishments and between field officers and their clients. Breakdowns in businesses promoted through the centre have become the rule, except for local building contractors where other factors external to the operations of the centre are relevant. Perhaps inevitably BPC officers have become clerical assistants to struggling indigenous businessmen, while SIC officers are teachers of technical skills in a limited number of fields.

¹ Cf Nadkarni (1970b: 25f).

Chapter 6

Development Bank Projects

'Bisnis' was a strange new world with high walls around it. Papuans and New Guineans want to surmount those walls and enter the world of business. Scaling ladders are necessary and the Development Bank provides these.

L. Johnson, Administrator,
speaking at the inaugural
meeting of the P.N.G.
Investment Corporation
(Post Courier, 15 February
1972)

The pattern of relationships between DB staff and clients forms a marked contrast to that outlined for the DBD. Again, this can be discussed, on the one hand, in terms of relationships between officers concerned with planning and policy and those concerned with the implementation of decisions in the field, and on the other, relationships between field staff and clients of the bank. This discussion is related only to those businesses in which the bank has direct involvement in addition to the provision of loan monies. The legal frameworks defining the formal status of the businessman and the bank's representatives are described in some detail.¹

Organisationally the DB has three departments, two of which, operations and projects, are of note in the present context. They reflect two aspects of the bank's function as banker and developer. The projects department is a recently established one, headed by a lecturer in economics

¹ I am indebted to P. Fitzpatrick, research fellow in law with the Commonwealth Law Foundation, for information and comment on the legal aspect of DB involvement.

from the University of Queensland, and on secondment to the bank for two years. He has been employed primarily to undertake feasibility studies of various projects and to teach his skills to other staff so that the bank will eventually have cost-benefit analyses of a number of projects which can be ranked in order of priority and then promoted as staff and finance permit. When I spoke to him (26 November 1971) not long after his arrival in the country, he spoke of the possibilities for an electronics and electrical equipment industry, high-quality, hand-adzed knock-down furniture for export, stone carvings, and the development of an industrial complex. Under his direction there is a research economist and a number of projects officers directly involved in all projects which the bank owns or in which it has an equity. The projects department is a separate entity from the operations department in that it acts as if operations was the bank and projects the customer. To date projects has developed two basic forms of involvement: firstly, it may establish the business with ownership initially vested in the bank itself or it may own key assets which it leases to the businessmen; secondly, an expatriate-owned firm may be transferred to some indigenous employees with the bank providing finance and taking up an equity in the venture until such time as its investment has been recouped. The number of businesses in each category is very small and the procedures and frameworks adopted have been informally worked out.

In their role as customers of the operations department, projects officers may manage the business, keep the books and bank the profits. The intention is that as soon as sufficient monies are reinvested and accumulated to pay off the bank's contribution, the business will be transferred from the projects department to those in the business on whose behalf they have been acting. At the same time the managerial skills of the businessman should be developed to ensure that the changeover goes smoothly. All the businesses involving the bank in this way are in Port Moresby and since all are still in the initial stages only one transfer has taken place.¹ It is not clear at this stage,

¹ That of Korobosea Milk Service outlined above pp.122-4 a business originally owned by the bank with Tom as employee, and on repayment of the investment transferred to him for a nominal sum of \$100.

just at what point the projects officer would sanction a transfer though it is hoped this should be possible before the full capital contribution has been met by the business.

As a semi-autonomous group strongly identifying with what they consider to be the interests of local businessmen, the projects staff at times resent the operations department's careful attention to detail and to proper security. However, many more frustrations have been encountered in working with other government departments and the negative response of a stultifying bureaucracy. Thus the research economist engaged in promoting the new footwear industry described below, reported that he received no support whatsoever from the Department of Trade and Industry, which because of the importance attached to foreign investment, supported a Fiji Indian manufacturer interested in expanding his activities to Papua New Guinea. Similar difficulties have been encountered in getting tariff concessions, and in obtaining land for new business development. But the main complaint is always against the obstructionist tactics of many in the government, of the long delays, inaction and indecision. According to the economist, this consideration forced the bank to set up a development agency within its own organisation.

This decision having been made, officers of the projects department took up their task with considerable enthusiasm. Regarding the footwear proposal, for example, a senior officer active in promoting the projects department, wrote 'I really have my heart and soul (or sole!) in this venture as there is virtually no purely indigenous run enterprise in Papua New Guinea and some reluctance to believe it¹ can be done. What we want to do is confound the critics...'

Few in number,² these officers are young men, most with some training in commerce or accountancy and many with a wide range of experience in other fields. They are given complete responsibility for particular businesses and become strongly committed to their success. As one officer commented, he enjoys the job because 'there is all the

¹ Deputy managing director, DB, to Ministry of Commerce, Fiji, 13 July 1971, DB file Wokabaut.

² In March 1972 the head of section had a staff of three expatriate and one trainee indigenous projects officer, all working in Port Moresby.

excitement and challenge entailed in running your own business without the same risk of failure.'

F and M Joinery

One of these DB-sponsored ventures, F and M Joinery was formerly Territory Joinery, an expatriate-owned company. The European owner proposed to the DB in July 1969 that they should arrange for the transfer of the business to two employees, Frank and Minama. Both are Toaripi-speaking migrants who came to Port Moresby and found employment together as carpenter joiners. Frank is the brother of Minama's wife. Both men now have their wives and families settled in permanent accommodation in one of the town's suburbs. Minama had a village education to standard five while Frank, in addition to receiving a full primary education, was sent by his employer to Idubada Technical College for block courses in joinery over a three-year period. Both men say they had ideas of going into business on their own account but lacked the opportunity until the offer of their employer.

After the transfer was proposed there were numerous delays, the business ceased operations and the change of ownership was not effected until late 1970. Frank and Minama each contributed \$250. The bank advanced a loan of \$2,000, supported on a guarantee from the partners and secured by a charge on all stock and book debts. This constituted the partners' equity. The DB itself then purchased the land, buildings, machinery and vehicles for approximately \$23,000. Additions and improvements to the premises since the takeover have added substantially to this outlay and have been financed in the same way. These assets are leased to F and M at a rental of \$500 per month on a basis thus similar to a lease purchase arrangement. In fact, although a rental of \$500 was specified this has been flexibly interpreted to mean a monthly payment such as the business can stand. Thus for the period January to August 1971 the rental paid ranged from \$300 to \$1,350 for a monthly period.

The whole of the rent is applied in reduction of the bank's investment. Interest at the rate of 8% p.a. is applied on the reducing balance outstanding and charged to the investment account. Rents collected from an expatriate company which lease[s] a building on the property, are also applied in reduction of the

investment. When the original investment plus interest charged has been extinguished by rentals, the business will be transferred to the partners.¹

This is a verbal agreement and for the partners this arrangement means strictly that they do not obtain equity in the assets when in effect they are paying them off. Further, their tenancy rights are legally on a monthly basis. At the same time the Taxation Department has agreed to regard the arrangement as a lease and rents paid are an allowable tax deduction. It was intended that when the amount of rent paid by the business equalled the capital outlay made by the bank, all assets would be transferred in equal shares to Frank and Minama.

From the outset, first one projects officer and then a second have been involved in the general management of the business and for their services the partners pay a management fee of \$500 a year. Initially, the officer did much more than provide management services; neither of the partners had a driver's licence and for a time the DB projects officer was truck driver as well. In a more official capacity, he made contacts, secured contracts, and did all bookwork and banking. He was also able to secure credit from all suppliers except STC and dispensed with the cumbersome LPO system.²

At the same time Frank and Minama were clearly involved in the development of the business and introduced to some of the management aspects. Certainly they enthusiastically embarked on this new venture and worked long hours in the factory, strongly identifying their interests with the business even though at first they were wage earners on \$20 a week (a figure which compared unfavourably with wages of \$22 a week paid to two leading hands). Gradually some of the office work was undertaken by Minama. A time-book is kept at the factory and another book records all quotations, orders, delivery dates and payments.

The partners have always been responsible for the organisation of work flow and employment of workers. In September 1971 they employed 15 men: 8 from Pari village

¹ Personal communication: section head, 26 May 1972.

² A system whereby borrowers of the bank arrange purchases from suppliers, see below p.179.

and known to both partners from experience with a previous common employer, 1 from Samarai and a schoolfriend of Minama's and 5 from the Gulf District, all of them related to one or other of the partners. The remaining workers are from various places and have no association with their employers. The workforce has since been expanded and the company would like to recruit more competent joiners but it cannot at present offer accommodation, and suitable workers are difficult to attract.

In the first five months of trading F and M showed a modest net trading profit though this was cancelled out and a loss declared on payment of rentals on land and plant. Mainly because of the award of a substantial Administration contract for the supply of domestic furniture, the factory had sufficient orders on hand to assure full production a year ahead.

Moresby Shoe Repairs

A different kind of arrangement was involved in the case of Moresby Shoe Repairs. This was a well-established business monopoly near the centre of town, employing four highly skilled, long-service employees. When the business came up for sale in December 1969, the DB decided this was a very good business opportunity for the workers involved and as these men had no capital, bought the business outright for \$8,500. Thus Moresby Shoe Repairs is an unincorporated business owned by the DB which pays wages to its employees. All profits go in reduction of the 'debt'. After fourteen months trading, \$3,500 had been paid to the bank.

When the sale went through, only two of the original four entered into the informal agreement. One of the previous employees returned to his home village and a second was killed in a motor accident while the arrangements were being made. When I spoke to the deputy managing director of the DB about this business he stressed the reluctance the men had displayed in taking on their new responsibilities.¹

The two men involved are Maurice and Philip, from Mukawa in the Milne Bay District. They are both middle aged with a primary-level mission education and long residence in Port Moresby where they had various occupations before

¹ Personal communication, 5 October 1970.

working in the shoe shop, in Maurice's case for the last fifteen years and in Philip's for seven. Both stress the problems of business and their own feelings of inadequacy in coping with book-keeping, ordering and accounts. After a time they developed sufficient confidence to bank the takings for each day and now both are counter-signatories to all cheques. All other aspects are still handled by bank staff. Both partners continue to draw \$28, the same weekly wage paid to them by the previous owner.

The men are ambivalent towards the business. When their fellow-employee died there were rumours of manslaughter. Philip felt the strain of business very much, had some kind of mental breakdown, and even after psychiatric treatment is still prone to periods of mental stress involving time off work. According to Maurice, prior to the 'take over' Philip was a 'happy-go-lucky' type of person but that now he is uncommunicative and retiring, sometimes not venturing from his home for days for fear of meeting and having to talk with someone. In Maurice's view, the illness may be only partly due to business worries and the idea that his friend's death was not accidental may be a factor also.

In addition, both men are undecided about the future when the DB business becomes their own. They say they may carry on for a time or they may retire to their village and perhaps set up a business there. The deceased's seventeen-year-old eldest son, who joined the business in February 1970, has taken his father's place in the business and is being taught the trade by the older men but it is extremely doubtful that he could take on the shop should Maurice and Philip return to Milne Bay.

Hammond Motu

Another business involving the transfer of a company to a group of former employees is H L Hammond Ltd, now Hammond Motu Pty Ltd. The expatriate owner of this long-established painting contracting business was advised for health reasons to sell. Originally a sale was proposed to another expatriate but the workers were opposed to this. The European company secretary, known personally to the senior BAO at the BPC and knowing something of his work, mentioned this and was requested to submit a recommendation to the office. In February 1971 the owner proposed to the BPC,

that the firm be taken over by six leading hands. He asked nothing for goodwill and the business appeared very sound, employing sixty workers and having an annual turnover of \$120,000 with around \$12,000 profit after paying management. At that stage the intended new owners had no capital and so from April 1971 until the time of the take-over, received only \$5 weekly from their wages, the remainder accumulating in trust accounts as a deposit on the business.

The sale was finalised in June 1971 and since then Hammond Motu Pty Ltd has operated from the BPC. It is a DB subsidiary with the bank holding 75 per cent of the shares. The remaining equity comprising 1,800 \$1 shares is held equally by the six indigenous shareholders, all former leading hands in HL Hammond. These men are also directors and the DB representative is chairman of the board. The bank advanced working capital up to \$15,000, its total involvement being secured by a general charge over all assets. The method of transferring the bank's shareholding to the indigenous directors has not been finalised, nor has it been decided whether provision should be made for an equal transfer to all six. However, it is envisaged that once the bank's loan to the company for working capital has been repaid, the transfer of the shares from the bank could be paid for by means of bonus payments out of accumulated profits. The bank would look for a normal dividend of 8 per cent before bonus payments were struck.¹

DB officers claim that the DBD, although involved in the early stages, rejected management of Hammond Motu on the grounds of lack of staff and that the projects department was forced to take it on. This is probably a fair comment and from the outset the company has had almost full-time assistance from two Canadian volunteers assigned to the DB projects department and each in turn responsible for Hammond Motu. As with F and M, a management fee of \$500 a year is charged to the business.

The extent of assistance considered necessary reflected the backgrounds of those now prominent in the company. Of the 6 directors, 2 come from Rigo, 1 from Hula, 2 from Wanigela and 1, Gavera, comes from the Morobe District. Apart from one man in his twenties, the rest are in their thirties and forties. Excepting Gavera, all have worked

¹ Personal communication: section head, projects, 26 May 1972.

with Hammond since the 1950s. Five have had a very limited primary education and Gavera has had no education.

Within the company each man is in charge of a gang and there is a dense network of kinship and wantok ties within and in some cases between gangs. As under European management, the leading hands are responsible for employing and dismissing workers and for setting wage rates. All are skilled tradesmen, five as painters and Gavera as a floor sander and polisher. As previously they organise work on the job in their own way. All directors stressed to me that they had encountered no problems in taking on their own business.

Clearly, however, there was no-one in the group who could be trained to take on management functions. It was therefore decided to employ a clerk, a Hula wantok of one of the BAO's as company secretary. He now has a young man, also a wantok, assisting him.

At first there were problems in getting work, in estimating for contracts and in chasing up debtors. The projects officer claimed that there was some discrimination in the way the company was dealt with, in complaints about the cleanliness and dress of the men, and in demands to do jobs not normally required of painting contractors. There were allegedly no such encounters when the company traded as HL Hammond. This officer also felt that in part the difficulty experienced in obtaining work was due to the lack of contacts with builders, Administration clerk of works and so on. As a result, bank staff worked almost full-time with the company secretary but this has lessened as he has become more familiar with organisation and management processes. The two bank officers also devised ways of keeping the directors involved in the company's operations. Simple charts have been drawn up showing work completed during a week and the amount of profit or loss on particular jobs. Conferences among all foremen/directors, the projects officer and the secretary are also held periodically, with the latter usually interpreting from English to Motu.

Increasing control over the firm is being handed over to the secretary as his management expertise is developed, although management control is not being handed over to the shareholders nor is this considered as a likely possibility. At the same time the future of the secretary and his role in relation to the company and the bank is not clear.

Wokabaut Footwear

Wokabaut Footwear is a pilot project in terms of the DB as a promoter of new business. In March 1971 the bank's research economist approached various overseas companies requesting information about the manufacture of thongs. This action followed a feasibility study carried out by the bank and showing that imports of thongs to Papua New Guinea for 1969-70 totalled 236,995 pairs at a value of \$44,447, an average unit cost of 18.8 cents. The major suppliers were Hong Kong, China and Japan. Retail prices vary considerably but the average price in Port Moresby is around 50 cents a pair.

Shortly after the DB inquiry a company in the same field in Fiji wrote to the Department of Trade and Industry and to the bank requesting assistance in the extension of their activities to Papua New Guinea. In reply to the manager of the Fijian company the director of the department welcomed the initiative, set out information on tariffs, import duty, conditions of entry, current labour rates and offered assistance in obtaining land for a factory. He also advised that footwear was classified as a pioneer industry and that an application might be made for a certificate.¹ The writer concluded

I should be happy to assist you further with any queries or problems you may encounter. My Department is the focal point of contact for businessmen interested in establishing an industrial venture in the Territory....Please let me know if I could be of further assistance.²

The reply to the same firm from the DB was rather different:

¹ The Industrial Development (Incentives to Pioneer Industries) Act 1965-69 provides for the declaration of pioneer industries, services and products, and provides tax incentives to these industries, among which are: five-year tax exemption on income derived solely from carrying on a pioneer industry, tax deductions for exemption period losses in the first non-exemption year, and exemption of dividends paid from the net income.

² DB file, Wokabaut, 20 May 1971.

...I regret that as I am promoting the establishment of such an industry in the Territory, it would be wrong of me to support your claim to concessions etc. I believe there is a good market for the manufacture of rubber footwear but it should be reserved for the indigenous people of the Territory in the same way as it has been in Fiji.¹

The DB promptly secured the support of DBD officers but Trade and Industry remained equivocal and the bank decided to act quickly. In a memorandum to the managing director of the DB, his deputy advocated the registration of a company and the application for a pioneer certificate even though costing of machinery, and hence of the whole proposal, was still incomplete.² The research economist in July, toured factories in Fiji and Auckland, New Zealand, to complete the study.

At around the same time an officer from Trade and Industry advised the DB that they had received an application for a pioneer certificate from the Fijian company. Senior DB officers attended meetings at Trade and Industry in an endeavour to explain the philosophy behind the bank move and the need to ensure that local companies be given some form of preference over outside competitors. Departmental officials '...were receptive to the Bank's point of view but indicated that they had to consider all applications on their merits'.³ The same day the bank applied for a pioneer certificate and advised the department that the company intended seeking the removal of duty from raw materials and an increase in tariffs on imported thongs. The pioneer certificate was issued on 2 September, and the duty on imported raw materials later lifted.

Estimates for the proposed factory were set out as follows (10 September 1971):

¹ Deputy managing director, DB, DB file, Wokabaut, 8 April 1971.

² DB file Wokabaut, 11 June 1971.

³ Memo, DB file Wokabaut, 14 July 1971.

Buildings and fittings	\$10,500
1 press cutter	900
1 clicking press	500
2½ drill presses	550
1 light delivery truck	2,000
2 sets of dies	200
4 threaders	80
Sundries	100
Total	\$14,830

It was estimated that with this equipment the factory would have a maximum output of one to one-and-a-half million pairs of thongs a year. In the first year of operations it was expected that production would be about half this with maximum production being reached towards the end of the second year. Machinery was ordered in September, rented factory space found and trial runs made. Production commenced early in 1972.

These preliminary investigations involved a considerable amount of work for a number of DB staff and constituted the first example of a planned approach by a quasi-government agency in the setting up of a new industry.¹ It would be difficult to calculate the cost involved; however, since Wokabaut is considered as a small experiment in a continuing programme to get local people into larger-scale enterprises, such costs can be expected to form a substantial part of future budgeting for the projects department.

As set up in early 1972 Wokabaut Footwear is a company with standard articles, wholly owned by the bank. It has two directors, both from the bank and the bank owns all shares, there being only two. After a period of three months the bank will decide on the amount of its investment. The bank as parent company, will then advance the money on loan to its subsidiary, taking security over the assets. It is intended that the bank will retain a majority shareholding until the loan has been repaid. As yet no decision has been made as to whom the shares will be transferred. Consideration was given to some form of worker profit-

¹ In contrast to urban commercial and industrial projects, a highly planned approach and fairly comprehensive extension services have been provided in rural development schemes.

sharing but this was discounted as the workers would be unskilled and instead some form of piece-work rates may be introduced. It is realised that in this and future ventures, the selection of businessmen will be a politically sensitive issue and policy statements were being prepared to meet any criticisms.

Meantime, the management of Wokabaut is in the hands of Alice, a Fijian married to a Papua New Guinean. One of the country's first graduates in medicine, Alice's husband was an appointed member of the Legislative Council, the most senior local medical officer in the Department of Health and more recently an elected member of the House of Assembly. Alice is a dynamic person, prominent in social circles and voluntary organisations and a very capable organiser. She is most enthusiastic in her commitment to Wokabaut and believes that in time it will be her company. Again, there is no binding agreement between the parties and legally Alice has no claim to ownership rights. The bank's refusal to define her rights and theirs has been a source of contention. Further as manageress Alice feels she has had to cope with numerous frustrations. Thus the bank refused to allow her to undertake her own publicity campaign for the company by taking up offers of radio and press coverage. Bank officers assumed responsibility for the ordering of supplies and when production consistently outran supplies, closed the factory for three days. Alice also felt herself to be placed in a difficult position by the presence in the factory of male expatriate bank officers who at times issued directives to staff. As a result she dismissed (though later reinstated) one of her workers as a demonstration of her own power. At first Alice was drawing \$7 a week, a sum she considered totally incommensurate with her duties. She subsequently demanded and was granted an increase to \$35 a week.

Strongbuilt

A fairly recent approach to the bank was made by an expatriate who on his own initiative had set up three former employees in a steel furniture factory, Strongbuilt. This patron first considered establishing a group of indigenous employees as an independent company while he was a partner of another steel fabricating plant. Plans then were to concentrate on steel fabricating, the local company supplying the expatriate firm with fairly standard components such as cleats and stair brackets. When the

expatriate partnership broke up, the patron continued with the scheme, approaching three men working for the partners with a view to establishing a steel furniture manufacturing business. The three, two from the Gulf District and one from Hula, agreed. In April 1971 Strongbuilt commenced operations, their promotor advancing the partners a loan of \$2,000 for wages and working capital. This was subsequently repaid. In August 1971 all assets of Strongbuilt were owned by the patron and rented to the partners. His management and technical services were also retained by Strongbuilt for a salary of \$250 a month and a half-share of all profits from sales. At that stage the company claimed to have contracts for \$35,000 worth of orders.

The expatriate founder had sought assistance in obtaining a block of land and finance for further development. At first, in March 1970 he approached the DBD. A year later he received a reply from the head of the department referring to discussions held with one of the representatives of the partnership and expressing the department's willingness to assist 'any legitimate arrangements to develop indigenous equity participation'.¹ In fact, the reference to discussions related to another approach made by a much larger expatriate company working in the same field. The reply from the patron suggested that the secretary had 'been misinformed by some officers of your department....This business is entirely owned by three Papuans and is managed by a Kerema businessman. It has orders for \$15,000 and producing goods of an excellent quality.' An interview was then arranged between officers of the department and the three Papua New Guineans involved. Their patron was asked not to attend. The department decided that Strongbuilt was merely a front to secure a better business deal for the expatriate businessman. Understandably irate, he turned to the DB. He is quite frank about his motives; he says he decided to promote a local enterprise 'not because of love of natives, not because of hate either but because after experience in Indonesia, it looks as if a close connection with a local company is good protection for the future'. He is married to a local woman and wishes to identify with a Papua New Guinea in which he feels his business interests would be secure. The DB took the proposition seriously and considered that there was no irregularity involved in an adviser's being paid for management duties or in charging

¹ DBD file 4-1-17, p.8, 17 March 1971.

a percentage on profits. The projects officer concerned was scornful of the DBD's timorousness, since even if Strongbuilt turned out to be a front-man deal, 'what sort of front is it when the proposal put up is so small - simply a block of land and then possibly a loan of \$2,000 to \$3,000 for buildings. What is there to lose?'¹

The DB then pressed the DBD to support an application for a block of land near the BPC for Strongbuilt. This is expected to be finalised shortly. Again, 'originally title to the land [will be] vested in the bank. This position to be continued until such time as the Strongbuilt partners' equity in the whole enterprise approached a reasonable level.'² Initially their equity will only be 5 per cent at most.'² During the negotiations with the DB one of the original partners dropped out and the proposal was worked out between two Papua New Guineans, their expatriate adviser and the projects officer. As in the cases outlined above, it seems likely that the agreement between the parties will not be formalised. A further complication is raised by the continued association of the patron with the new company and it is not clear at this stage what his role will be when the DB becomes the major shareholder in Strongbuilt.

Conclusions: bankers and developers

In general terms a discussion of DB activities in business development in Port Moresby centres on relations between administrators, planners and field staff, and between field staff and clients. Within the DB the administrators are in the operations department, the planners and field staff in projects. At times there is some discontinuity in communications between them as projects officers chafe at the delays caused by what they consider to be conformity to standard banking practices. The demands of business in their view require risk-taking and quick decision-making. Operations staff claim they have been very progressive in experimenting with and

¹ DBD file 4-1-17, nd.

² Projects officer, DB, to secretary, DBD, DBD file 45-4-8, 6 September 1971.

accepting forms of security appropriate to the local situation. Both departments are housed in the same building and frequent contact enables most problems to be sorted out; while there are some delays projects considers them not to be due to deliberate obstruction.

Within the projects department there are planning and field sections. There have to date been few policy directives and staff have been free to decide on projects for their consideration. At the same time there have been demands from operations for information and research services and this has severely circumscribed the scope of studies directly concerned with developmental projects. So far Wokabaut Footwear is the only business researched and subsequently established by the bank. The imaginative plans for special projects have not been realised; the political realities are more limiting than their propounder imagined.

Relations between staff in the projects department are good and the small size of the department has greatly facilitated informal communications between researchers and projects officers. The latter are thus able to relate their experience to the planners for inclusion in future policy statements.¹

The relationship between a projects officer and a client in the businesses described in part depends on the kind of legal framework adopted. The loose formal ties between the bank and its clients in the early stages of the department's development allowed considerable flexibility and scope for working out arrangements to suit the needs of particular cases. It has meant, however, that a number of basic policy issues, most particularly guidelines on the forms of ownership considered appropriate, have been ignored. Certainly as the number of cases attended to by the projects departments increases, it will become necessary to take

¹ There is in Port Moresby a DB branch office at Boroko which processes all loan applications from clients throughout Papua. Within defined limits approvals can be made in the branch office which subsequently administers the loan. Loans granted to businesses where the bank is involved in a direct way as outlined above, partly because they fall outside the limits, are administered direct from head office and so far projects officers have not worked through the branch.

decisions on such problem areas. Moreover, while ownership of the business or key assets, gives the bank more control, even where there is a lease type of arrangement the officer has considerable authority.

In defining his role in the company the projects officer is allowed considerable freedom. Officers are assigned to particular businesses and are responsible for obtaining results. In most cases the bank's financial involvement is large, and the officers' commitment correspondingly so. The way in which this is expressed contrasts markedly with the role defined by the BAO. The projects officer assumes that the businessman has the necessary technical skills: what he is concerned to supply is the accounting and more especially managerial functions. Measures are taken to progressively hand over accounting and general record-keeping to a principal or clerk in the business. Ideally management services should be provided on a consultancy basis only. However, as with BPC businesses, this is the area in which DB clients are weakest and it also tends to be an area in which projects officers are most interested. As a result the DB projects officer often zealously provides a management input. He makes contacts with suppliers, buyers, and expatriate businessmen, he secures contracts, ensures delivery dates are met, copes with delays in obtaining goods and so on. A complicating factor in this role-play may arise when the bank's client has an alternative expatriate adviser, a patron.

The response in the field to this form of management service varies. In Hammond Motu, for example, the directors are unable to grasp even the most basic principles of management and all direction is left to the bank officer and the company secretary. The latter enjoys considerable power anyway and is amenable to collaborating with a bank officer to establish and build up the position of Hammond Motu. A somewhat different reaction came from the manageress of Wokabaut Footwear. Although as an employee of the bank her powers were legally subordinate to those of bank officers, Alice was concerned to assume all direction herself as quickly as possible. In this there was competition over the definition of spheres of influence in management. Other businesses fall somewhat between those two extremes; mostly there is co-operation, occasionally conflict.

This points to the difficulty of imparting management skills. Basically the projects officer should be developing specific capabilities, general attitudes and self-awareness

in 'his businessman' (Nadkarni 1970b). DB officers, like BAO's are not trained in skills for the developing of those traits. They therefore substitute their own management for the previous expatriate component until such time as the bank's investment is substantially secure, or on meeting up with an equally dominant manager, when they withdraw.

In comparison with the DBD, DB organisation is more open and more responsive in terms of general communication, realistic policy formulation and implementation. There is a stronger identification by a particular officer with a number of businesses and their interests. At the same time the relationship so formed tends to be of shorter duration. Effectiveness of the link, measured in terms of investment recouped, in this category of DB tied businesses, has been high. In other respects, and in the long term, this form of promotion may be viewed more equivocally. Scaling ladders constructed of dollars may prove to be shaky supports.

Chapter 7

Contractors

This chapter traces the development of contractors in building and associated trades. As with other types of business activities the development of contracting on a larger scale is very recent. In May 1964 a survey was made of 116 contractors said to be operating in Port Moresby. They worked in excavation and drain digging (58), stone pitching and concreting (47), grass cutting and road work (23), painting¹ (18), carpentry and construction (13), and transport (2).¹ Half of the jobs undertaken were classified as unskilled labouring. Mostly the scale of operations was small, usually less than a month in length or \$100 in value of contract. On average each contractor employed five men. The contract price was generally stipulated by the awarding body and most work was closely supervised. The contractors themselves were poorly educated and more than half lived on canoes in the Koki area. A commentator on the survey found it 'remarkable that no recently qualified artisan has considered it advantageous to give up employment and work on his own account'.² The survey concluded, 'The facts that almost 50 per cent of contractors lived on canoes at Koki, and that others who had been working on contracts just prior to the survey could not be found, contributed to a general impression that contractors had a casual and transitory approach to the work.' (Langmore 1967: 56) There are still many such small job contractors working in the town. In addition, however, there is a small group of independent contractors working in the building trade at a level comparable to that of their expatriate competitors. The following sections outline in some detail the development of one building contractor and then more briefly refer to

¹ Some contractors worked in more than one field.

² D.G. Bettison, comment on the Langmore report, DBD file 1-1-7.

five other builders and an electrician. Emphasis is placed on the extent to which government and other agencies affect the operations of the contractor, and management and organisation within the firm.

A Papua New Guinean building contractor

Tapora was born in 1932 at Kilakila, a Koitapu village in Port Moresby. His father was from Moveave in the Gulf District, his mother from Kilakila. Both died when he was a young child and he is the only surviving offspring of the union. Educated firstly at the village mission primary school, Tapora subsequently spent three years training in carpentry at Idubada technical school. On leaving school he worked briefly with a government department before joining Qantas for fourteen years during which time he became a foreman and travelled to many parts of the country on maintenance jobs. In 1962 he joined a private construction company owned by an expatriate. The workforce of this business comprised sixty men all under local foremen. His employer considered Tapora to be the most competent of these and when away left all ordering, time-keeping and on-site management to him.

In September 1970 the business was sold, the contracting part being transferred to Tapora. (The joinery section of the business became F and M Joinery.) Since then he has been continuously in work; some contracts have been secured through contacts made while he was an employee, especially with the Catholic mission and a Port Moresby architect, some through the university, some through government channels. By February 1972 the value of work in progress or completed amounted to over \$100,000. In addition Tapora was awarded a PWD contract for maintenance to all Administration buildings in a defined area for the period February 1971 to February 1972. The estimated annual value of the contract is \$20,000.

At the time of the takeover Tapora had, as assets, small personal savings, a truck and a life insurance policy. With this security, the DB financed the purchase of some of his former employer's equipment. Since then he has financed from the business the purchase of two trucks, a utility and additional electrical equipment.

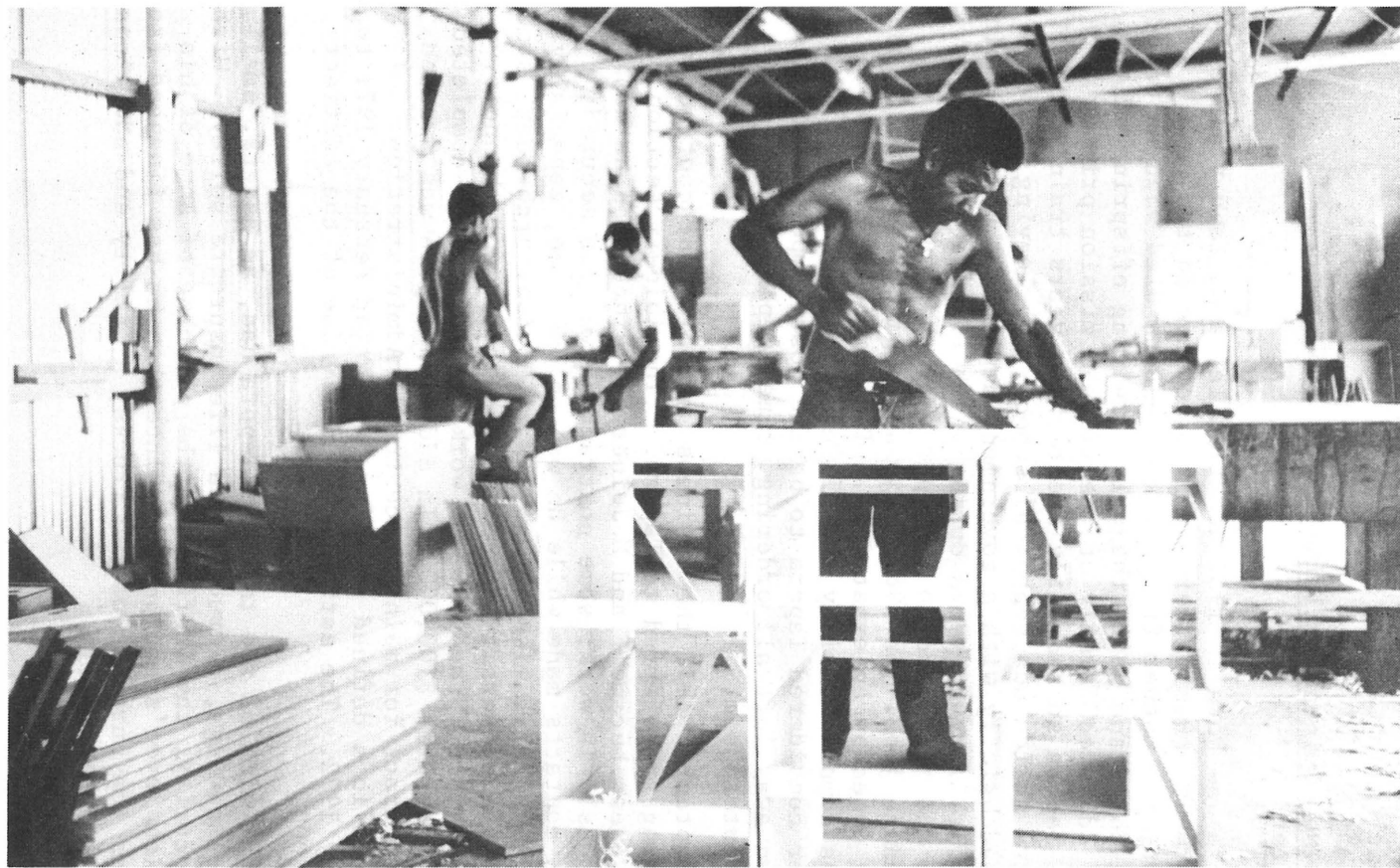


Plate 6. A building contractor with (from left) his bookkeeper and another contractor

All finance for major contracts has been arranged through DB loans. This has had a very significant effect on the running of the business. Ostensibly loans are for working capital but finance has been provided in full.¹ The controls exercised have been correspondingly complete. For reasons of security a BPC officer administered the loans and assumed responsibility for all building contractors working with DB finance. Initially the standard DB loan disbursement procedure was adopted. This meant that the builder was required to obtain quotes on quantities of all materials from possible suppliers, get an order made out on the appropriate form (an LPO), and have that order signed by the BAO. During March and April 1971, when trainee BAO's were at the centre, the contractor was also asked to take a trainee with him to the supplier to ensure that the goods ordered were obtained. For the supply merchants the LPO's were a guarantee of payment since accounts were charged directly to the DB. In April 1971 the DB officer most closely involved with the contractors noted that this system was unsatisfactory especially for builders working on larger contracts. LPO's were allegedly not charged to the correct accounts, repayments were credited to the wrong accounts and LPO's were not always presented for payment. In view of the consequent difficulty in reconciling accounts, the projects officer proposed a scheme to extend overdraft facilities to the builders by lodging an amount representing two months' working capital with a trading bank, that account to have as joint signatories the BAO and the contractor. Progress payments would be made into the account and loan repayments would be met on a quarterly basis. It was proposed that all drawings be made by cheque.²

This scheme was rejected on the grounds that the profitability of the builders' operations was unknown. Instead the DB approached major suppliers on the following basis:

¹ For example, on one job with a contract price of \$32,800 and an estimated completion time of four months, working capital required would amount to \$7,500. DB finance for the job was \$28,000 which incidentally showed in the statistics as the largest loan yet (6 February 1971) granted to an individual indigenous businessman.

² DB case file.

1. For each contract won a separate loan is approved to the builder. A copy of this loan approval could be forwarded to your department [i.e. the credit department of the company] as proof that funds are available.
2. An order form would be issued for each order required. Each of these will have to be approved and signed by the BAO who, as before, will still have full control over all operations and accounts of each builder. These order forms will be in triplicate with one to the supplier and two remaining with the BAO.
3. Each month the supplier will forward [to the BPC] the monthly statement and supporting invoices. The BAO will then reconcile these with his copies of the order forms.
4. The reconciled accounts will then be forwarded to the DB who will immediately present a cheque for the total amount to the credit of the borrower's trading bank account (in joint names of BAO and borrowers). The BAO will then issue individual cheques direct to the suppliers.¹

Approval was obtained from one supplier and the system as outlined was implemented on 10 June 1971. The second supplier, however, ignored the proposed change and continued debiting all supplies purchased by builders to the DB account. Since borrowers in other types of businesses also buy from this firm this has complicated accounting procedures considerably. The whole system has furthermore resulted in delays in the working out of an individual builder's financial standing. Only in February 1972 was the first set of accounts for all builders drawn up. Moreover, the procedure as laid down made considerable demands on the time of BPC staff and, to facilitate the contractors' ordering, the BAO sometimes gave signed blank order forms to them for completion at the supply merchants. On one occasion this trust was abused. The response from the bank was a strongly worded memo to the BAO which asked him

¹ Manager, DB, to the managers of two major suppliers, BP and STC, 7 May 1971.

...to immediately destroy any order forms he may have signed in blank, and keep all others under his personal control. With all future orders, he must ask the builder to call on the supplier, obtain an invoice for the materials required, bring this to the BAS (sic) where it will be transcribed onto an order form to be totalled before signing by the BAO and the builder, with the builder then making another trip to his supplier, presenting the signed order and taking delivery of the goods.

To facilitate things it would be advisable for the BAO to first ring the supplier and make the initial appointment. Under no circumstances are order forms to be signed before details and accounts have been inserted and totalled. Any alterations to the order form must be initialled by the BAO.¹

The unworkable nature of this policy for both contractor and BAO resulted in the continued circumvention of its provisions. Nevertheless, it is clear that in advocating this form of loan administration, the DB is able to place the BAO under considerable pressure and he in turn presses for greater control over the activities of individual contractors. This is greatly resented by Tabora who from the outset has attempted to operate as independently as possible and does his own wages and book-keeping. He would also like to undertake all ordering independently and to pay accounts on a monthly basis. The block to this is the availability of credit. Some small expatriate companies, to whom Tabora is known through his association with his former employer, do give credit for paints, general building and plumbing supplies, and gravel and pre-mixed concrete. But major suppliers, including timber merchants, refuse to give credit thus forcing dependence on a system which in Tabora's view hampers the efficient management of contracts, reduces the responsibility he wishes to assume and indicates a lack of trust by government and DB officials. At the same time, he generally agrees to policy directives in the BPC office though privately giving angry expression to different views and frequently acting on that basis.

The BAO and the DB projects officer, for their part, while aware of this communications gap, are disturbed by their lack

¹ Senior loans officer, DB, to BAO, 2 August 1971.

of knowledge of the financial state of the business. Tapora only recently for the first time handed in his books to the BPC for scrutiny and the BAO expressed to me dismay at their state in spite of the fact that a bank balance in excess of \$10,000 (February 1972) and few outstanding debts would seem to indicate a healthy trend. All records are kept by a friend of Tapora, a clerk in an expatriate company. He makes out the wages and notes business transactions simply in terms of payments and receipts; he also assists with quotations. Sophisticated accounting and mathematical calculations are beyond the ability of both men. However, the small margins by which Tapora has lost several recent tenders to large expatriate concerns, a few thousand dollars on accepted tender prices of around fifty thousand dollars, shows considerable technical competence and business acumen.

In view of the special requirements of the maintenance contract for the two builders involved (the second is Bake), a sum of \$3,000 working capital was placed in a trading account for them, with the builder and BAO designated as joint signatories to all cheques. Tapora has found this more satisfactory than the normal loan arrangements since he can see more clearly his own financial position with respect to the contract. There have, however, been other problems. The PWD forwards works orders to the BPC and from there they are issued to the contractor. Periodically Tapora has alleged that orders are deliberately withheld because the clerk handling the work is a close wantok of Bake. It was finally decided that Tapora should take over all administrative aspects of the maintenance contract with the BPC simply processing orders.

It is difficult to know to what extent the formal requirements of the DB affect the day-to-day working of the contractor. For the four-day period, 13 to 16 April, a detailed time allocation study was made of activities. I joined him on the site at 7.30 a.m. and observed all work done by him, accompanying him on any off-site work also.¹ At that stage Tapora had a total labour force of eighteen men working in four different locations: a block of flats, a workshop and womens' club house at the university; a

¹ I have periodically made more casual observations of Tapora's work and feel that my presence had little if any effect on the work undertaken during the survey.

chapel at Bomana; extensions to a residence in Port Moresby; and maintenance work at Kaugere. The university is eight miles from the centre of Port Moresby, Bomana fourteen miles. All job times were noted down in five-minute periods and categories as shown in Table 7.1.

Table 7.1

Time allocation survey of Tapora's business
(in five-minute periods)

	Day 1	Day 2	Day 3	Day 4	Total	Total (in hrs and mins)
Travelling*	200	235	145	230	805	13 hrs 25 mins
Obtaining quotations**	80	0	25	0	105	1 hr 45 mins
Site work	315	205	340	215	1075	17 hrs 55 mins
Other***	25	100	50	20	195	3 hrs 15 mins
Total	620	540	555	465	2180	
Total (hrs and mins)	10 hrs 20 mins	9 hrs	9 hrs 15 mins	7 hrs 45 mins		

* Not including time taken in travelling to the job in the morning and home at the end of the day's work.

** Plus associated dealing with suppliers.

*** Dealings with supervising architects, government officials, banks and such like. Time taken for breaks is not shown.

Travelling time is increased by having to call on the supplier to obtain quotes, report back to the BPC for an order, and place and arrange for its collection. Since Tapora frequently delegated dealings with the centre and collection of orders to one of his drivers, the effect of DB procedural requirements is considerably greater than the figures in Table 7.1 indicate.

The BAO and the DB projects officer have attempted to affect the organisation of Tapora's business in other ways. In August 1971 the latter suggested that Tapora should form

a partnership with another indigenous contractor, and on the ground that the success of the venture depended entirely on Tapora the BAO agreed. At about the same time the DB and BPC formulated plans to build a model workshop on land near the centre, whose facilities could then be shared by a number of builders and painters. An office was included in the complex and it was envisaged that the group would jointly pay the wages of a clerk to maintain records for them all. Both suggestions failed to take account of the views of the local contractors. Tapora expressed considerable distrust for the idea of a partnership whether with wantok or outsiders. Although agreeing to the workshop proposal he felt that a joint system would not work in practice. He preferred to build his own workshop and in fact he already had plans drawn up and approved by the building board and obtained the agreement of the clan to the use of customary land at Kilakila for that purpose. What was built, however, in response to the directives and inducements of the DB officers, was a temporary structure. This contravened building regulations and safety requirements and Tapora, under pressure from the Department of Labour, ceased to use the electrical equipment installed there. A few months after establishing the workshop, in February 1972, he was uncertain whether to set up a permanent workshop, thereby possibly incurring official disfavour, or to wait longer and see if the DB plans came to fruition. As in other instances of his dealings with officialdom, Tapora's philosophy is, 'I don't want any trouble'. Further DB and BPC inaction settled the issue; Tapora made the necessary alterations to the workshop and set up an office in an empty house nearby. He has complete control of the management of his workers. An examination of labour records for the period 5 April 1971 to 24 January 1972 shows a total of seventy-two workers employed. Table 7.2 gives the place of origin for each category of worker and some indication of the stability of the workforce.

Workers are organised in four gangs under foremen-carpenters two of whom are Koita, the others being a Koiari and a Kerema. The latter is considered by Tapora to be an excellent worker and is paid the highest rate at \$25 a week. Carpenters are paid from \$12 to \$20 a week depending on skill and experience, painters and labourers at a flat rate of \$12.50 and \$7 a week respectively. Table 7.3 compares the wage rate of various building contractors in Port Moresby.

Table 7.2

Tapora's workforce: activities, origins and stability*

	Kilakila		Kerema		Rigo		Wanigela		Other	
Carpenters	12	8	10	9	5	5	0	0	5	4
Labourers	2	1	11	5	7	5	0	0	8	3
Painters	2	1	0	0	0	0	10	1	0	0
Totals	16	10	21	14	12	10	10	1	13	7

* The first column gives the total employed for the whole period, the second the number on the payroll at 24 January 1972. Of the 42 men employed at that date by Tapora, 15 were on the payroll in April 1971. Many of these, and most of the workers generally, live in or near the village, migrants coming from squatter settlements or from low-covenant housing suburbs in the area. Six of those from Kilakila are related to Tapora, two by unknown links.

Table 7.3

Wage rates of building contractors in Port Moresby

(\$)

Contractor	Carpenters		Labourers	
	Minimum	Maximum	Minimum	Maximum
Dept of Labour	8.75		8.50	
Tapora	12.00	25.00	7.00	
Bake	13.50	32.00	8.00	10.00
David	18.00	24.80	7.80	
Small expatriate builder	10.00	20.00	7.20	8.00
Large expatriate company	12.00	40.00	7.60	10.00

According to information supplied by the Department of Labour, the minimum rate of pay for unskilled labour in Port Moresby is set at \$8.50 per week. Semi-skilled building construction workers are paid according to a range of abilities which designate them as Class I, Class II, or Class III, these classes having minimum weekly rates of pay of \$8.75, \$10.25 to \$11.25 and \$13.25 to \$14.25 respectively. Carpenters who have served a formal apprenticeship are entitled to an award rate of \$23 weekly. The paymaster of a large expatriate company advised that their carpenters are paid from \$12 a week upward and that a fair number would be on \$24. Workers who have served an apprenticeship with the company and have been in its employ for perhaps thirteen years may be paid \$40 a week. Labourers are paid from \$7.60 to \$10 a week. A smaller expatriate builder, working on a scale comparable to Tapora's, reported paying his labourers \$7.20 to \$8 a week and his carpenters from \$10 to \$20 with most on \$10.80 to \$13.50 and only one leading hand on the highest rate. By contrast David has one leading hand on \$24.80 a week and pays most of his carpenters between \$18 and \$20. His labourers are on \$7.80. Hula Builders has three leading hands on \$32 a week with other carpenters paid between \$13.50 and \$26. Unskilled workers are paid \$8 to \$10 a week.

Leading hands are responsible for particular jobs but workers are not grouped in fixed gangs, men being changed around according to the requirements of the job. Tapora keeps the time-sheets himself and supervises all work closely since foremen frequently cannot read plans.

Tapora is concerned to develop a financially sound business. In his first year of operations he deliberately invested in more equipment for the company. In the current year he plans to increase his capital and so minimise his dependence on DB loans. As noted he has confidently tendered for large contracts. He is concerned to recruit a skilled and stable workforce and is prepared to dismiss any unsatisfactory Kilakila worker. Competent foremen are in short supply and Tapora is prepared to pay high wages to attract such workers.

In his home village Tapora takes an active role in community affairs without seeking a dominant or very prominent place. Thus he has held leadership positions in the church, in the organisation of the co-operative store and in the cricket club. He does not make large contributions to any church or ceremonial activities and never uses business funds, trucks and working hours for non-business activities. For this he

is respected and his standing in Kilakila probably exemplifies the feed-back aspect of business-community interactions; it is largely because of his success in developing an enterprise outside, and to some extent independent of, the village that he has been accepted on his terms as a respected community leader.

Of the other contractors, three builders, David, Gabua, and Vada, and Andrew an electrician, have been self-employed for up to ten years. Their work has been mainly on a small scale and their position somewhat precarious with intermittent periods out of work when they might turn to fishing, paid employment or simply a village 'holiday'. More recently, however, with the channelling of work through the BPC and the ready availability of DB funds with BPC backing, these builders, too, have begun to use the centre as a base of operations. They have also been subject to the same kinds of control, though like Tapora they organise workers and jobs. Three other contractors have worked entirely through the BPC since they first became self-employed just over a year ago. They left their former employment and decided to 'try business' in response to press publicity given to an initial DB financed government contract. Many others have since approached the BPC about setting up as independent contractors but because of the government's tardiness and unwillingness to ensure a continuous supply of work, and the lack of small contracts from other sources, they have been discouraged. The three builders taken on, Mark, Vavine (AMK Builders) and Bake (Hula Builders), are very closely tied to the BPC in all aspects of their operations. Andrew operates outside this framework, does little work for indigenous contractors and gets most subcontracts from a few European builders with whom he has long-standing associations.

In the remainder of this section, I consider firstly the nature of the control exercised by the BPC and the DB by describing two contracts, one undertaken by AMK Builders, the other involving three builders, David, Gabua and Bake working separately on a mutually agreed tender price basis. I then describe the different ways in which all contractors recruit and manage their workers.

Contractors and clients

The background to the AMK contract illustrates the extent to which community affairs may impinge on the operation of a business. AMK's first contract was for four indigenous

married quarters to be erected for a government department at Taurama. In October 1970, having won the tender, the builder, Vavine, applied for DB finance of \$4,540. At that time he had as assets \$200 in cash, tools valued at \$120 and a house at Porebada valued at \$1,000. He had no vehicle and was unable to drive. Moreover, the \$200 cash was a loan from the Porebada United Church and subsequently became the focus for a dispute.¹ According to Vavine, the initials AMK stand for his own name and that of his wife. Vavine claims that he decided to set up in business as a sole trader because in September 1970 he had been refused financial backing for a family-based enterprise. The advance from the church was necessary as security for the DB loan. A leading carpenter in AMK married to Vavine's sister, claims that he was a partner from the outset and that the loan was approved only because of his standing as a church deacon. Allegedly it was a condition of the loan that the carpenter be made a partner in the business. Later, Porebadan church leaders, acting on the carpenter's behalf, approached a prominent expatriate church man who referred them to the public solicitor's office which in view of the informal nature of the agreement, decided that he had no claim. There were numerous disagreements between the carpenter and Vavine before the former was paid. Finally, when it came to repaying the church loan in July 1971, Vavine asked the BAO for a cheque for \$350 but was persuaded to make a payment of \$300 instead.

Despite such unpropitious beginnings, AMK completed the Taurama job, showed a small profit, purchased a truck and went on to much bigger things. CDW in April 1971 called tenders for the construction of two classrooms and a toilet block for a new school. The BAO investigated the contract and decided that it was well within the capabilities of the builders working from the centre. At that time, Tapora and Vada had plenty of work; Vavine had none and was anxious to secure a contract to keep his men employed. Aware of the dilemma and possible repercussions, the BAO made a decision to assist Vavine on the job. The services of a quantity surveyor were obtained in working out quotes and with Vavine's assistance, the BAO then compiled a breakdown of costs and submitted a tender. The price of \$23,056 was accepted. From the outset, officials stressed to Vavine that he would be strictly supervised throughout, that target

¹ See p. 58.

dates must be met and that not one man more than specified would be paid. The project received press and radio publicity. The award of the contract was announced by the Assistant Ministerial Member of the Department of Business Development as being the second largest awarded to an indigenous company, one of a number receiving assistance from the staff of his department.¹

Immediately, however, there were difficulties. DB finance could not be arranged until the contract was finalised and then there was a delay which was of importance since the allowed completion time is dated from the acceptance of the tender. CDW supervising architects insisted that since the contract was won on open tender, there could be no concessions. They pressed for an early start and at one stage threatened to withdraw the contract.

When the work did get under way, there were further difficulties beyond the builder's control: timber was in short supply and this involved further delays. BPC and DB staff and the CDW building inspector made regular checks on the job, and frequently chivvied the contractor but the estimated target dates proved meaningless.

In addition, Vavine continually made demands for cash advances to workers, for personal use and for purposes ostensibly connected with the business, such as repairs to the truck. Although aware that the money was probably misused the BAO generally acceded to such requests.²

After encountering innumerable frustrations with Vavine, the DB and BPC officers were thoroughly disillusioned. At the same time the substantial commitment involved, in terms of monies advanced by the DB and public policy pronouncements made by the DBD, forced continued efforts at promotion. Consequently a re-evaluation of the contract and costs was made and the BAO ordered that the number of men employed be reduced to that initially specified by Vavine. The latter delegated the task of dismissing the men to his clerk and stressed to everyone that he was acting under BPC instructions. To further soften the blow he provided beer on the site after work on the day the dismissals became effective.

1

Post Courier, 4 May 1971.

2

The charge of the BAO was supported by Vavine's clerk.

In September the contract was well under way. At that stage, I interviewed CDW's supervision architect, together with the inspector on the job. Both stated that they had no criticism to make about the standard of workmanship. They were, however, extremely critical of the speed of operations, the contractor's lack of responsibility, and the associated problems of management and organisation. They claimed that Vavine was never on the job and that the men themselves often arrived late. Liaison between the department and the contractor was difficult so, according to the architect, the inspector provided supervision and advice as the only way to ensure a satisfactory output. These services were felt not to be a part of the function of CDW and the view was expressed that the department would in future be wary of granting contracts of a similar size to a Papua New Guinean and certainly not to Vavine. It is difficult to estimate how much time was lost due to the factors cited by the CDW representatives. The letter of acceptance was received on 21 April 1971 and the contract was for twenty-four weeks to October. The job was completed on 14 January 1972. Despite the unavoidable delays on timber the BAO estimated that approximately six of the extra fourteen weeks might be attributed directly to mismanagement and inefficiency. Extensions were allowed by CDW for the whole of the contract period and penalty clauses were not invoked.

Contractors and clients:
a joint tender

A rather different type of government officer-client relationship was attempted in working on Housing Commission (HC)¹ contracts awarded to Bake, David and Gabua. Early in 1971 the HC was anxious to secure the services on a day-labour basis of builders working from the BPC. The commissioner claimed that this method of construction would lower costs and at the same time assist in developing the skills of local contractors. He was opposed by the BAO who felt that builders working on a labour-only basis would be retarded in their development as truly independent operators.

¹The HC target for 1971-72 was 500 houses. The Commission aims to charge economic rentals and, given the low wage structure of the Papua New Guinean workforce, this means pushing construction costs as low as possible.

By the end of the year, the Commission had only one expatriate builder working more or less full-time on its work and was therefore anxious to obtain a more competitive arrangement. Subsequently tenders were called for sixty HC houses on a restricted, indigenous-contractors-only basis.¹

Three builders working through the BPC Bake, David and Gabua submitted a jointly estimated tender on the BAO's advice. This was partly an attempt to overcome a major problem in such tenders, that if lots are broken down the indigenous contractor is unlikely to be acceptable on price, while large lots may entail problems of organisation. Thus Europeans tendering on similar jobs are able to cut costs on account of large job lots involving machine production of standard units in a factory.

At the BPC the contractors, the BAO, a technical officer from the SIC and M.S. Nadkarni,² spent three days working on the tender. Supplies of material for the job, at a guaranteed price of \$865 per house, were available from a store set up and administered by the HC. The contractors had then to work out labour costs and profit margins. During these sessions the work on each house was broken down into phases and the labour requirement for the various phases worked out. The totals arrived at per house were fifty-four carpenter days and twenty-four labour days, a cost of \$312 a unit. Other costs brought the total price to \$1,498. The HC accepted the quotations of three other contractors for lots of 16, 13 and 10₃ houses at prices of \$1,260, \$1,260 and \$1,380 respectively.³ The BPC was advised that contracts for seven houses each would be awarded to the three centre-based builders if they agreed to work to the highest quote accepted (\$1,380).

When the original tender prices were being worked out all contractors were adamant that they could not further reduce their figures. Nevertheless, at a meeting on 13 December 1971, they quickly agreed that a considerable reduction should

¹ These were among the first restricted tenders.

² See p.15.

³ One lot was awarded to an expatriate builder who tendered jointly with an indigenous employee, a second lot to an indigenous offshoot of the same firm and the third to an indigenous firm tendering for the first time.

be possible. When questioned by Nadkarni about this inconsistency in attitude, David said that previously they were thinking in terms of profits since they were anxious to make a good start for themselves and so were 'a bit easy'.

Again all the phases of construction were gone through, without reference to the original estimates. After some discussion there was agreement on a labour component of 36 carpenter days, and 19 labour days per house, a saving of 18 carpenter days and 5 labour days. This reduced the labour cost to \$216 and other margins were reduced. The BAO had commented to me after the first session that he felt local contractors might be vulnerable to pressures for an increase in pay and might, therefore, be paying higher wages than their expatriate competitors. He felt that they also tended to work shorter hours. In fact, as already noted wages paid to construction workers vary considerably in both indigenous and expatriate firms. All three contractors had their workers on a forty-hour week and, as with expatriate companies, worked overtime when necessary. More pertinently, there would appear to be difficulty in calculating the time required for a particular job. Pricing is often based on the specified contract period only, without provision for contingencies.

At both sessions all three builders agreed to programme the work in terms of phases, to employ no more than the number of workers specified at any stage, and to aim at set target dates. It was decided that the BAO should keep a running schedule on job progress and costs and since all frames were to be made in the BPC yard a trainee local officer was assigned to check on progress there.

Finance was arranged by the DB, this involving the procedures and checks on expenditures outlined previously. To date officers from both the BPC and DB have made regular on-site checks. In addition, normal contract supervision is being undertaken by an HC inspector.

Towards the end of January, it was clear to the BAO that these programmes remained a 'paper ideal' and were not seen as plans to be implemented on the site. David was the only builder with a number of carpenters working continuously on the frames in the centre yard and his rate of progress was well ahead of the others, though all were considered to have a reasonable rate of progress. At the same time David, who had stated originally that he would employ three labourers and one carpenter on the frames, was by the end of the

second day employing eight men. In the middle of the contract the BAO most concerned with the builders was transferred and the records he had begun were not maintained. His successor allowed the contractors to complete the work in their own manner and estimated that the three men each received a net profit on the job of between \$700 and \$1,000.

Managers and workers

In view of the basically similar labour requirements of building contractors, an interesting factor, and one with considerable implications for management and organisation, is the variation in the bases of recruitment of workers to a firm. As noted, Tabora employs a generally mixed labour force, and positions of responsibility are held on the basis of skill and experience without regard to tribal origins or personal connections. This is by no means a general pattern.

A survey was made in March 1971 of the workforce of Vada when he was employing 21 men (2 carpenters, 2 blocklayers and the rest labourers). The carpenters were from Samarai and were simply wanting temporary employment while finding permanent jobs. One of the blocklayers was from Hula, the other was Vada's mother's brother's son. All the labourers were Keremas living in the squatter settlement fringing Vada's own village, Vabukori.

Characteristic of Vada's workforce is an exceptionally high turnover rate; normally he has two or three workers in permanent employ and when a bigger contract is secured the large pool of unemployed, mainly unskilled labour in the nearby settlement can be easily mobilised. Vada himself commented that it would be difficult for him to attract workers from Vabukori because most men there have steady jobs and are well aware of the risks involved in working for a fellow-villager who is often seen to be out of work.

Vada keeps no books and it is impossible to obtain an estimate of his total income and profit. In October 1971 he estimated that he had worked for seven of the previous twelve months, one contract being worth \$4,350 and another \$3,975. The rest were for smaller amounts and Vada estimates that his profit for the period would be small. When working he draws a living allowance from the business; otherwise he relies on kinsfolk for support.

The lack of continuity of work and the consequent reliance on an unskilled, unstable labour pool places considerable limitations on effective management. The works supervisor

of a university contract awarded to Vada commented that while he appeared to have considerable organising ability, he was seldom on the site, and lacking adequate skilled supervision, the labourers slowly and ineffectually plodded on.

AMK Builders by contrast is, in terms of its labour force, almost entirely community based. In September 1971, when the labour records available (from 16 April) were checked, a total of 35 men had been in the company's employ.¹ Most workers were from Porebada, the only outsiders being 9 labourers, 6 of them highlanders. Many of the Porebadans are close relatives of the principal; Table 7.4 shows the frequent dismissal and re-employment of workers.

Hula Builders, the business name of Bake similarly draws on the home community of the contractor for its skilled labour force. Fewer are relatives though, like AMK large numbers of kinsfolk and wantok have been dismissed. A survey of the labour records for the period April to August 1971 shows that 38 men were employed: 8 came from the Marshall Lagoon area and were employed as painters, usually for short periods only, another 5 short-term employees were New Guinean labourers; the relationships of the remainder to the contractor and their work patterns are given in Table 7.5.

In February 1972 David had one leading hand, a long-service employee, and one of twelve carpenters all from the coastal village of LeaLea. There is a network linking these men but none is related to David. In addition he employs two Goilala labourers and has informally apprenticed to the trade his wife's brother's son from Hula. David stresses that he undertakes all management and organisation of the business and that if an employer displays skill in this regard he will obtain satisfactory work from his men, regardless of their tribal origins or other personal ties.

¹ This work and a similar survey for Hula Builders was undertaken by Margaret Galpine, an anthropology student on a summer exchange scheme from the London School of Economics.

Table 7.4

AMK Builders: workforce
(1971)

Worker	Job	Relation to Vavine	Service		Service	
			From	To*	From	To*
A	c	ZH	16 April	12 May	8 June	30 June
B	c	unknown link	16 April	9 June	28 June	
C	f/c	FBS	16 April			
D	c	unknown link	16 April	16 Sept		
E	c	B	16 April	23 June	8 July	
F	c	B	16 April	9 June	8 July	20 July
G	c	FBS	16 April	9 Sept		
H	c	FBS	18 April	6 Sept		
I	c	FZS	18 April	16 June		
J	l	WZS	16 April	23 June	8 July	6 Sept
K	l	B	16 April			
L	p	unknown link	16 April			
M	p	unknown link	16 April	18 Aug		
N	d	FBS	16 April	18 Aug		
O	d	unknown link	18 April	26 May	12 Aug	
P	c	MZS	13 May	6 Sept		
Q	c	FBS	27 May	6 Sept		
R	c	non-relative	8 June			
S	c	unknown link	8 June	6 Sept		
T	c	unknown link	15 June	6 Sept		
U	c	unknown link	15 June	28 July		
V	d	dahu**	8 July			
W	c	unknown link	15 July			
X	c	unknown link	29 July			
Y	c	unknown link	29 July			

Job categories: c - carpenter; l - labourer; f/c - foreman
carpenter; p - painter; d - driver

* blanks mean worker was still in AMK's employ at the time
the table was compiled.

** daughter's husband.

Table 7.5

Hula Builders: workforce*

(1971)

Worker	Job**	Relation to Bake	Service		Service	
			From	To	From	To
A	c	B	29 April	28 July	13 Aug	
B	c	FBS	29 April	28 July		
C	c	FBS	29 April	11 Aug		
D	c	unknown link	29 April	5 May		
E	c	FB	29 April			
F	p	MB	3 May	11 Aug		
G	c	MB	4 May	11 Aug		
H	c	non-relative	3 May	23 June		
I	c	non-relative	29 April	30 June		
J	c	MB	10 May			
K	d	S	10 May			
L	c	WB	20 May	22 June		
M	c	MZSS	1 June			
N	c	WZS	1 June	4 Aug		
O	c	dahu	30 June			
P	c	MB	10 July			
Q	c	FBS	10 June			
R	p	MZS	21 June	11 Aug		
S	c	non-relative	23 June	17 July		
T	c	Mzhus	5 July			
U	p	MB	6 July			
V	p	MZS	6 July			

* The origins of three workers are now known.

** Job categories: c - carpenter; d - driver; p - painter

Two small contractors

The remaining two contractors are both working on a small scale. Prior to commencing work on his own account Mark was employed as a carpenter in a number of private companies and the PWD. Attracted by the publicity given to contractors working from the BPC he decided to try business himself. In April 1971 he won his first contract and thereafter he successfully tendered for a few jobs, mainly for maintenance

work or alterations. He employed up to eight men, and most importantly in his own estimation was able to give work and some training to his son, a youth who had failed at the upper level of his primary education and who otherwise might find it difficult to obtain a secure job in the town. Unfortunately Mark was dogged by misfortune including unavoidable delays in the supply of materials and expensive vehicle breakdowns. His capacity to organise jobs left much to be desired and by the end of the year it was evident that he was kept in business only because he was indebted to the DB.

Andrew, like David, is of mixed-race origins. His father was English but his mother subsequently married a man from Tatana. Andrew grew up there and married a Tatana woman. After completing his primary education at a mission school he worked for a time as a clerk before becoming apprenticed to PWD as an electrician in 1954. He then worked as an electrician for a number of different employers before branching out on his own in 1968. Like Vada, Andrew is sometimes out of work and feels that the position of a subcontractor is especially precarious since with strong competition between builders there is a tendency to delay or default on payments to subcontractors. For this reason his workforce also is not stable. When in work he gives employment to two or three men from Tatana, frequently to relatives. At other times they are paid off and Andrew stays in the village, pottering about on a boat he hopes to make the basis of a future fishing business.

It is difficult to assess the extent and profitability of Andrew's business. Most work is obtained from a few small scale European builders and the returns according to the balance sheets are not large. Andrew has no fixed drawings from the business; rather he pays wages and keeps what is left.

In December 1971 he and his wife set up a well-appointed tradestore under his house at Tatana. He hopes that profits from this will help to establish the proposed fishing venture.

Conclusion: roles and regulations

In terms of backgrounds, entry into business and subsequent development indigenous contractors show some similarities and some differences. However, in the extent to which the activities of government and other

agencies impinge on their operations, there is less scope for choice in decision-making and more shared regularities.

All seven contractors are in the thirty-five to forty age group. Two men come from coastal villages linked to the town by road. David's family have long been established in Port Moresby and the rest are from traditional urban or peri-urban villages. Their formal education did not extend beyond the primary level and only two men, Taporu and Andrew received any formal technical training. Practical experience and on-the-job training has therefore been most important and all have worked for long periods as leading hands with government departments or private companies before branching out on their own. Taporu was encouraged in this by his former employer. Vada, Andrew and David have been engaged in business for up to seventeen years, working on small, somewhat irregular contracts for moderate incomes and valuing their independence. David and Vada gradually came to operate from the BPC as more work financed by DB loans was channelled through the centre. Andrew has continued to work outside this framework, his scale of operations declining rather than increasing. Bake, Vavine and Mark commenced operations from the centre following the publicity given to the DBD's promotion of building; theirs was a direct response to the offer of official assistance for would-be entrepreneurs.

Government action can be seen in the form of assistance and coincident controls. BPC assistance has been largely administrative. Builders have been helped to work out tender prices and apply for loans. General record-keeping and banking has been undertaken by centre staff. Some builders have made use of centre space for storing materials and tools and for making up frames and fittings. DB assistance has involved the granting and administering of loans for all large contracts won in the initial stages of the builder's development. Other government departments and organisations such as the Housing Commission and University have awarded contracts to these builders, in some instances on a restricted basis.

The support given has also entailed controls of various kinds. Two factors are relevant here. At first none of the builders was able to finance jobs and had therefore to rely on DB loans. The disbursement of loan monies and repayments gave the BAO considerable scope for directing the operations of the firm. Secondly, in some cases there was a clear lack of managerial ability and this input was provided by the BAO,

he for the first part of 1971 keeping all records, arranging for banking and the making-up of wages which he then delivered to the site. Again this kind of involvement provided a built-in form of control.

Clearly the use of DB finance provided the basis for most of the controls. The contractors could offer little in the way of security except technical skill and the assurance of contracts won. DB officials, uncertain how to deal with the ongoing buying pattern required by the trade and the system of progress payments, adopted the standard procedure of local purchase orders. All orders for whatever quantity of material from every supplier had to be signed by the BAO. The bank arranged for payments to the suppliers until credit was obtained from most suppliers when accounts were debited to individual contractors and payments made by the BAO. The bank requested that contract-awarding bodies make progress payments direct to the bank or the BPC and not to the contractor. Loan repayments were authorised by the BAO. All books and records were either kept or regularly scrutinised by him. When the contractor got into difficulties and his ability to meet loan obligations become doubtful, as with Vavine other measures might be adopted. Thus Vavine was told to dismiss a number of men and onsite progress was frequently inspected. The BAO's directive role is further defined by the response of other expatriates involved in the projects. DB officers, government supervising architects, clerks in suppliers' offices, tended to direct queries to the BAO rather than to the contractor. And contractors have themselves approached the adviser asking that he sort out some problem.

The problems which the BAO has encountered in dealing with other outside agencies have resulted largely from avoidable delays. These may adversely affect the profitability of a builder's operations. DB insistence on securing contracts before processing loan applications hampers the builder who is tied to a completion date calculated from the date of acceptance. The LPO system itself was time-consuming and limited purchases for standard items required on all jobs to quantities needed for the work in hand only. This was especially irksome for the builders involved on the maintenance contract where a louvre frame might need replacing in one house, a new door hung in another, and yet because stocks cannot be held on hand, separate orders have to be placed. The award of

the maintenance contract itself is an example of the extreme slowness with which the administrative machinery at times moves.

The response of the builders to the effect of BPC and DB requirements on their business, and to the role adopted by the BAO, has varied. All, of course, have been subject to the same formal requirements laid down by the DB and by the contract specifications. Beyond that there is variation. On some occasions the offices of the adviser have been appreciated; sometimes they have been manipulated to the contractor's advantage as when the BAO has been made the scapegoat for dismissals; sometimes they have been misunderstood and sometimes resented. The newer, more inexperienced builders, Bake, Mark and Vavine, relied heavily on BPC support. David and Vada already had some experience in organising jobs and workers, dealing with suppliers and works supervisors. They are more confident in direct meetings with outsiders and BPC intervention has been less marked. Tapora and David have always insisted on keeping their own records and Tapora guarded for himself as much control as possible. He asked that cheques for payment be made to him personally and not to the DB and attempted to minimise dependence on LPO's by accumulating capital and obtaining supplies on credit on his own account.

Attitudes to loans also vary. Thus, one builder claimed that because only LPO's were handled the whole system of loan disbursement seemed totally unreal. It was, furthermore, difficult to calculate the extent of indebtedness at any one time. There was accordingly little concern about meeting obligations. This system was contrasted with that developed for the maintenance contract where \$3,000 was deposited in the contractor's trading bank account to meet running costs. This money could be seen, the fluctuations in the account readily grasped, and the responsibility to reduce indebtedness to the bank understood.

Within the firm the builder is free to recruit and organise his workers as he pleases. All builders organise their workers in gangs under foremen or leading hands. There is some difficulty in delegating responsibility for jobs to foremen since some are unable to read plans and specifications or cope with problems which crop up on the site. Most unskilled labour is highlands labour with a high turnover rate. For the rest there is considerable variation. Tapora and David have recruited carpenters mainly on the basis of skills though some competent wantok have been given employment.

Bake and Vavine have both employed mainly wantok. Their workforce is characterised by dense and complex social networks based on kinship, neighbourhood, common church affiliation and village politics, especially considerations of status, prestige and power. These factors, external to the work situation, noticeably affect relationships between workers and between workers and management in the work context. Nevertheless, it cannot be assumed that the employment of wantok and kinsmen leads to the development of particular patterns of interaction. Other factors are also relevant. Thus Bake employs mainly kinsmen of a younger generation whereas Vavine's kinsmen-workers are of his peer group. It may be possible for Bake to obligate workers to him, these obligations carrying over into a wider social context. Vavine, on the other hand, has many ongoing obligations to his workers and in order to maintain a relationship in the wider social context is forced to compromise and make concessions at work. Further, the dependence of adult working males on a cash wage is greater in Porebada than in Hula. This is especially important in a trade like building where the amount of work and consequently the number of workers required continually fluctuates. Bake is at an advantage in that he can pull people out of his home village at short notice and employ them for as long as required. They can then be reabsorbed into a viable village economy, taking with them a welcome cash supplement. Vavine is under strong community pressure to maintain a high level of employment for village tradesmen. Indeed, there would seem to be something of the Buang ideal of kin loyalty in AMK, and in both cases in the business context the ideal unity was unrealised as factions emerged. Vada, Andrew and Mark have also given some work to kinsmen but because of their more precarious hold on business have had less choice in recruiting workers (Andrews 1971b).

This system of roles and regulations can be viewed in terms of a series of counterchecks. Basically there are two sets of relationships: on the one hand the BAO/DB officer and contractor client role-relationship, and on the other the manager and worker role-relationship. In the first it is the less competent and the less experienced contractors who identify most closely with the BPC and value highly their association with BPC and DB officers. These officers are considered to have themselves, or to have access to, the specialised knowledge, especially in regard to financial matters, which the contractor feels is lacking in himself. At the same time, the contractor perceives himself, and is seen by his more competent and experienced local competitors,

to be lacking in status. An association with an expatriate official of high status may in these circumstances seem an advantage and compliance with official demands and regulations incurs little cost. Indeed, being 'in favour' for the contractor may even be viewed as positively rewarding.¹ However, from the viewpoint of the BAO and projects officer there may seem to be little point in investing much time and effort in this kind of client and after a period the relationship may cease, because of a lack of co-operation as with AMK or a considered lack of ability as with Mark. For the officer there is more job satisfaction in maintaining a role-relationship with a competent contractor who can successfully tender and complete jobs on time with a minimum of fuss. The case-histories of such men look good in the statistics for loan approvals and in the client interview sheets of BAO's. They are also less dependent on BPC and, potentially at least, DB supports. Already highly regarded by other builders the compliance with regulations of men like Tapora represents a possible loss of status. A clash between adviser and client is much more likely in these circumstances. In order to avoid this and to sustain the role-relationship the BAO is liable to bend the rules a little, to sign a few blank LPO's.

Something of the same sort of status consideration is evident in employer and employee role-relationships. A contractor like Vada is forced to take whatever labour is available, and on the site is typically 'easy on the boys'. Tapora can assure his men of continuity of employment. On the job he may shout and abuse when he considers it expedient to do so, yet as boss he is still able to command respect for his technical skill, his fairness and his independence in relation to official agencies and expatriate competitors alike. David manages similarly with his workers. For others like Bake and Vavine status considerations on the site are blurred by the intrusion of different relationships with the same men in other contexts. The complexities of the mutual obligations are more pronounced, the subtleties of the counter checks more delicate.

¹ See networks material, Chapter 8 and cf Kapferer (1969: 400).

PART III

SOCIAL NETWORKS

Chapter 8

The social networks of urban businessmen

[In tracing relationships in the town it is found that] intimacy, obligation and involvement...are largely restricted to wantoks. (Rew 1969: 43)

In his study of migrant workers in Port Moresby, Rew (1969) found that newcomers are drawn into a series of relationships as soon as they arrive. The patterning did not, however, imply the existence of groups; rather Rew (1969: 42) considered it more meaningful to see the clustering in terms of egocentric networks comprising an accumulation of dyadic relationships of both a customary and a non-customary kind. On Rew's reckoning, intensity and frequency of contact are bounded by a series of circles centering on the kin group and extending to quasi-kin groups, wantok, and acquaintances from work or school. It might be expected, on this basis, that Port Moresby's businessmen, especially those from traditional urban villages, with their school experience, wide range of job activities, status in their home communities and involvement in the economic life of the town, would have considerable opportunity for choice in all circles. In fact, it is difficult to circumscribe the social arenas of individual businessmen and consequently to assess adequately the relevance in the present context of the criteria adopted by Rew. Certainly, during fieldwork it became obvious that there were patterns of interaction between businessmen and that the links crosscut to some extent the clustering adopted in the case studies. A network analysis¹ offered scope for determining the perception and

¹ Networks have been variously defined. Batt (1957) and Kapferer (1969) have defined networks as egocentric. Jay (1964: 138) defines networks as 'the totality of all the units connected by a certain type of relationship. A

evaluation by local businessmen of contacts in a particular activity field. It also offered a means of defining whether individual businessmen hold positions as key figures in facilitating contacts and the flow of information. In order to obtain data for this analysis a form was drawn up comprising a list in random order of the names of businessmen and field staff of the DB and BPC working as at 1 August 1971. This was subsequently administered to thirty-seven businessmen. For each individual listed, a respondent's claim to have some form of relationship was followed up with the questions: how long was the contact known; what was the manner of first meeting; how frequently was the contact met; how would he be evaluated in terms of friendship. This last question required a response in terms of a ranking, 1 denoting a very close friend, 2 a friend, 3 a business associate only, 4 an acquaintance. The frequency of meeting was later coded similarly 1 denoting contact more than once weekly, 2 once weekly, 3 at least once monthly, and 4 less frequently. These data of primary stars could be mapped as networks and the information correlated with census data in terms of age grouping, wantok ties, business categories and the clustering adopted for the material.

Clearly the acknowledgment and evaluation of relationships formed with other businessmen was only a limited part of the individual's total range of relationships. For this reason five businessmen were asked to keep diaries of all encounters. This they did for various lengths of time and at the end of the period the nature of these links was discussed with the businessmen concerned. The selection of men to keep diaries was to some extent arbitrary in that only those with the time and willingness to co-operate could be approached. Finally, three men in the category of older independent businessmen and two in the category younger independent businessmen kept diaries for periods ranging from 8 to 58 days. Additional data for one man came from a breakdown of participants in a series of bridewealth exchanges arranged for the marriage of his son.

1(continued)

network has definite boundaries and is not egocentric.' Barnes (1969b: 58) likewise confines usage of the term 'network' to 'a set of concrete interpersonal relationships linking individuals with other individuals'. I follow Jay and Barnes. However, it should be noted that the networks described are partial, not simply in content but in extent as well. Egocentric 'networks' are here termed contact sets.

The discussion that follows breaks down the data firstly in terms of the clustering adopted in Part II and secondly in terms of the traditional urban villager/migrant dichotomy. The significance of evaluation in reciprocal relationships is then assessed. The diary material is presented in summary form and finally there is a discussion of the overall meaning of such data.

Gotao, Tau, Walo, Peter, Ori and Yamo the six older established independent businessmen, come from traditional Motu or Koita villages. All are over thirty years old, four over forty. As might be expected there are many strands to the links between these men. They are former school friends, neighbours and workmates, participate in the same ceremonial exchanges and meet together on numerous informal occasions. Ori is a member of the Port Moresby City Council and stood as a candidate for the 1972 national elections, and Peter has campaigned for a member. However, while prominent as citizens of the town, these men have not generally taken an active role in politics and have concentrated more on welfare and Church activities within their home communities. For Ori, Peter, Tau and Yamo and to a lesser extent for Walo, a major part of their business centres on the wharf area and during business casual encounters are frequent. These factors are reflected in their sets of contacts.

Of the 37 businessmen interviewed, 15 are Motu or Koita. These men knew from 15 to 32 of the total number and in all cases most contacts were with wantok. Moreover, 4 men rated more than half of those wantok known as 1. Wantok in the same business in particular rated highly. At the time 8 officers of the DB and BPC were working in the field. Gotao knew 5 of these, Tau 4, the rest 1 or 2 only (see Fig.5).

The six younger independent businessmen, Willie, Lari, John Moses, Lahui, Miro and Francis have somewhat different contact sets. Two are in their thirties, the rest in their twenties. Four are from traditional urban villages, the other two migrants, Francis from Angoram, Willie from Bereina. Generally they have fewer contacts than the older men with other businessmen though again there is a preponderance of contacts with Motu and Koita businessmen, even among migrants, in Willie's case through assuming a prominent position in local and wider business circles, in Francis's through marriage into Hanuabada. There is much more individual variation in the contact sets of these men and they do not form a group in the sense in which the older established businessmen do.

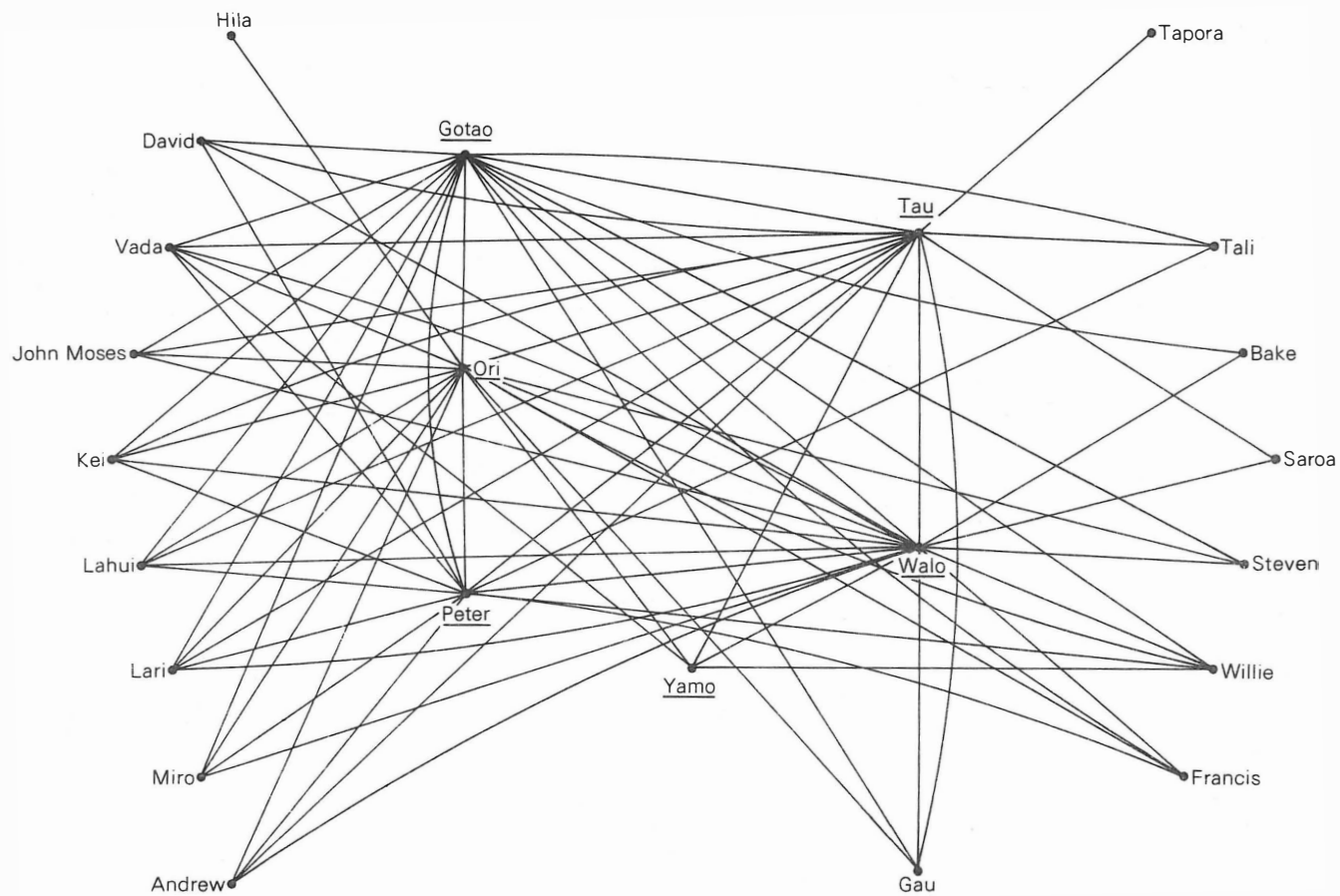


Figure 5. Older established independents

Except for John Moses, the nephew and partner of Walo, these men have moved as pioneers into new fields. With the exceptions of Francis and John Moses, Europeans were prominent in establishing these businesses. The role adopted by the promoter and the relationship developed with the businessmen varied. All were outside the present DB/BPC framework and all businessmen concerned are now working more or less independently. These factors suggest that contacts other than with local businessmen might be important, more so than for the older men, and an examination of the diaries of two men confirm this (see Fig.6).

Another group of ten businessmen might be called 'institution tied' in that their businesses have been closely tied to the DB or the BPC. With the BPC, in the case of Steven, Gotao, James, Lolo and Saroa, the business premises have been workshops at the centre. Tali leases a barber shop in a nearby suburb and is visited regularly by a field officer. Frank, Minama, Maurice and Philip are closely linked to the DB by various legal frameworks and their operations supervised by DB field officers.¹ The range of contacts among those operating through the BPC is from 10 to 22 and through the DB, 5 to 13. For 2 Motuans the number of contacts with other Motu and Koitabu businessmen is significant. For the rest most contacts are through business only, especially through the BPC. An exception is provided by the partners in the shoe repair shop whose interaction in relation to other businessmen in the town is with a single wantok.

Tali, the barber, has had dealings with only one field officer. All other BPC clients acknowledged contacts with two or more field staff. Steven had contacts with 4 field officers, Lolo, Saroa and Gotao each with 3. Those known were generally seen frequently, in 8 instances daily, in another 4 at least once weekly. Intensity ratings were 1 (in 3 instances), 2 (in 4 instances), 3 (in 3 instances), and 4 (in 5 instances).

Maurice claimed contacts with one DB field officer, other DB clients each with two. Contact was less frequent, in two cases cited as daily, in others at least once monthly or less frequently. Intensity ratings were 1 (in 1 instance), 2 (in 1 instance), and 4 (in 5 instances).

¹ Tom was not available at the time of the survey and Alice had not then commenced business.

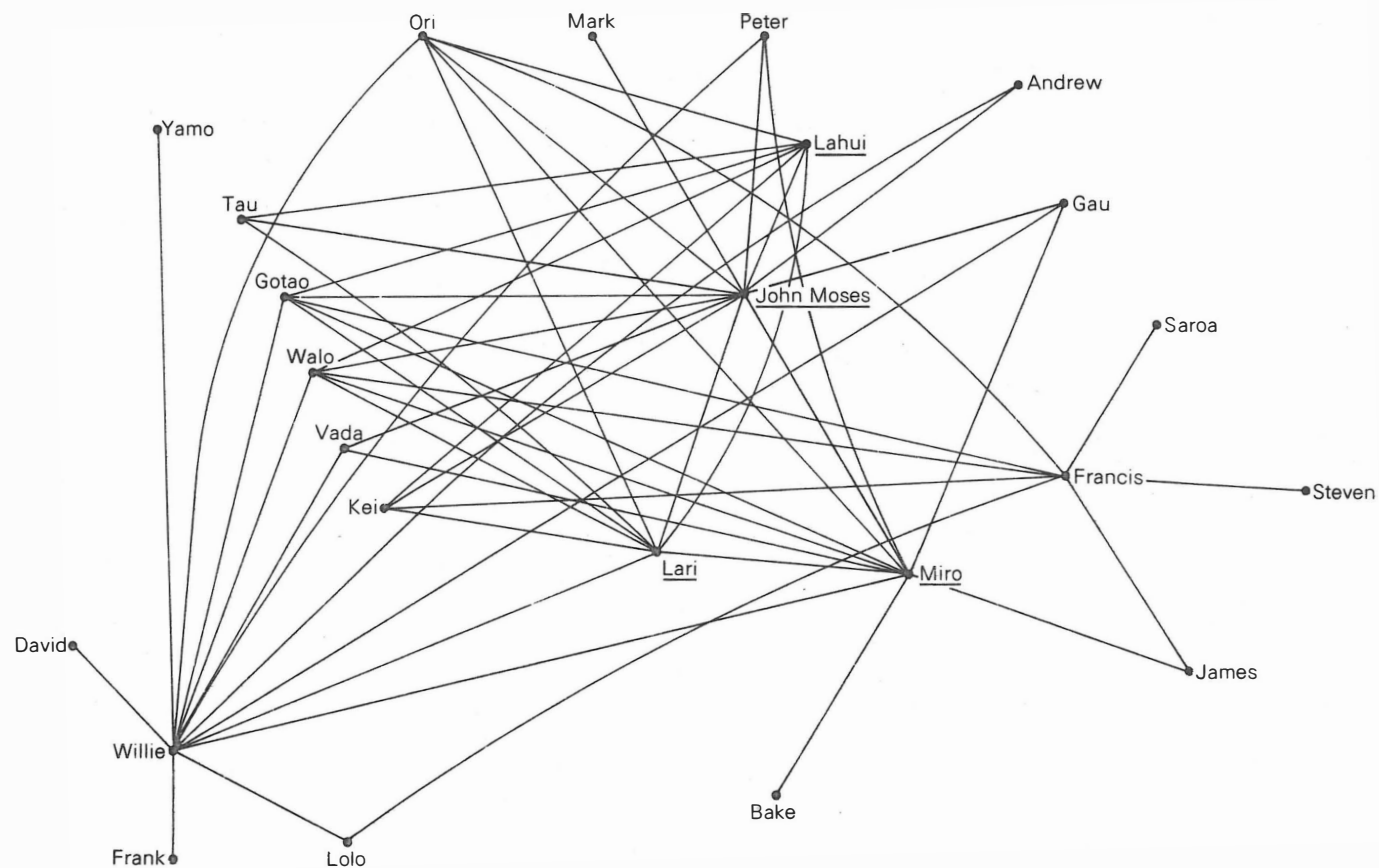


Figure 6. Younger independents

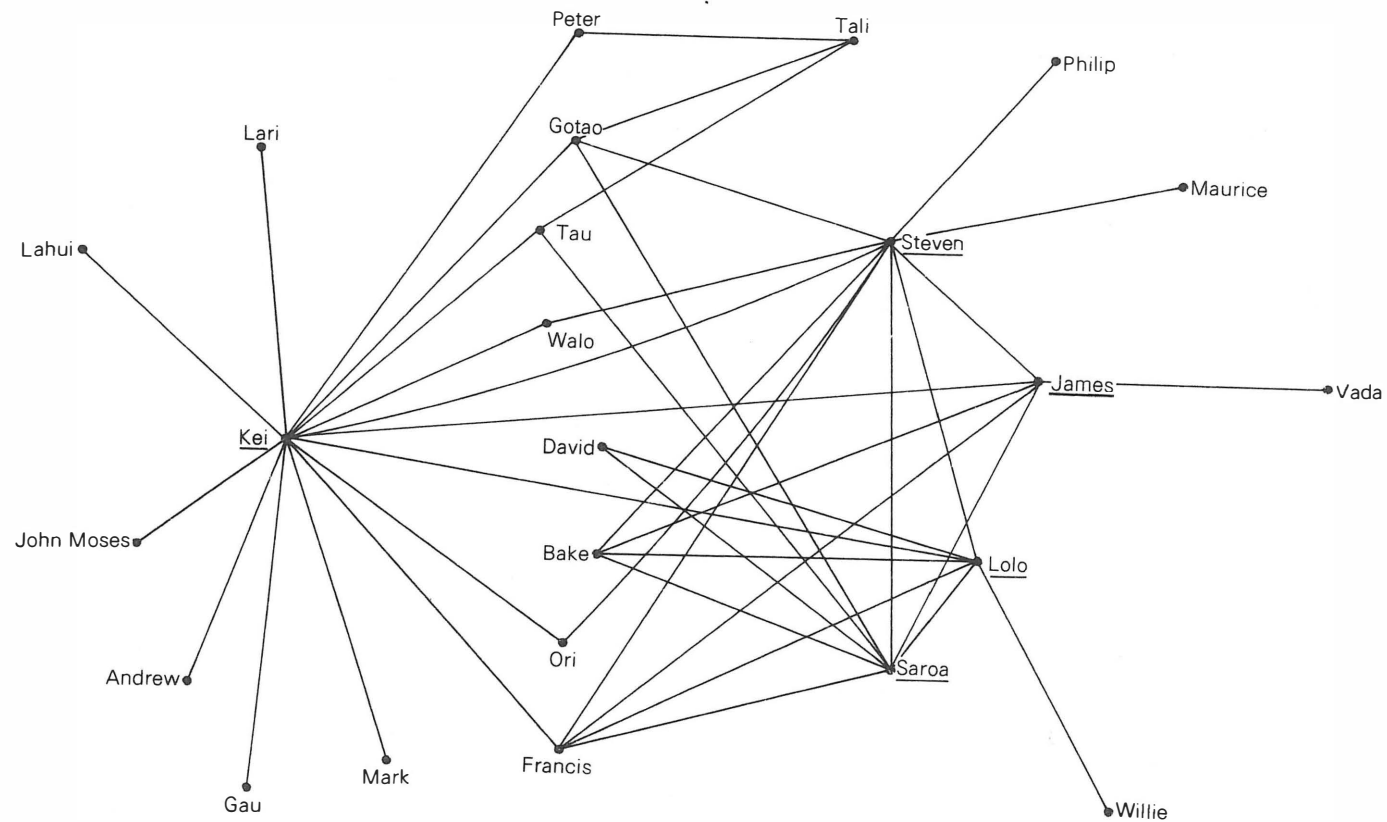


Figure 7. Institution-tied - BPC

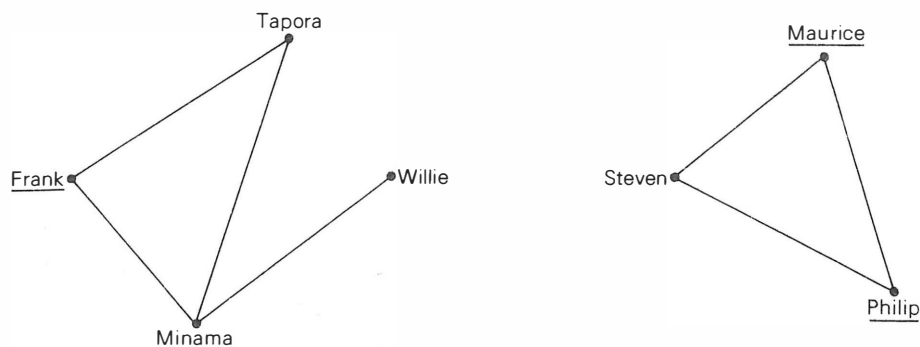


Figure 8 Institution-tried - DB

For these businessmen I am unable to document the content of non-business links though I suggest that for both migrants and urban villagers most contact is with wantok, however, as with the younger independents there is probably considerable variation, especially in the extent of linkages (see Figs 7 and 8).

The largest number of businessmen, 13, can be categorised as builders and associated tradesmen, comprising 7 painters (Maii, Heni, Gavera, Havi, Terea, Vanu and Hila), 5 builders (David, Vada, Mark, Tapora and Bake) and one electrician, Andrew. There is here a clear division between builders and painters with no interaction between trades, even though Hammond Motu and all the builders work to some extent through the BPC.

The pattern for Motu and Koita builders differs little from that of the older established businessmen. There is a high proportion of contacts with wantok and especially with wantok in the same business. Two builders rate all their fellow-builders as 1 while another rates 2 in that category and a third, 1. Contact is generally frequent, in most cases once a week or more.

The builders know at least one officer of the DB and several BPC staff members. In 19 instances the officers

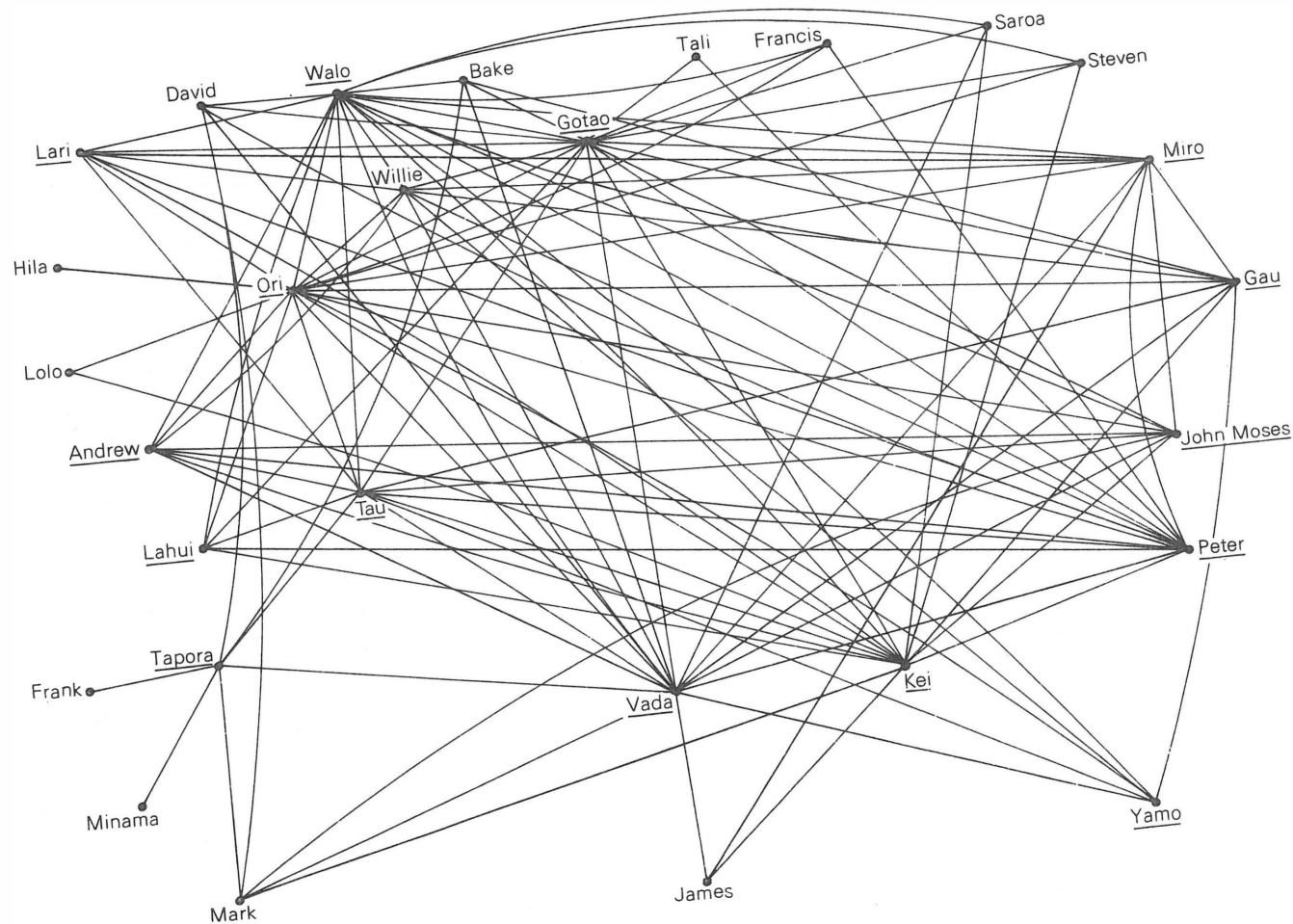


Figure 9. Hammond Motu

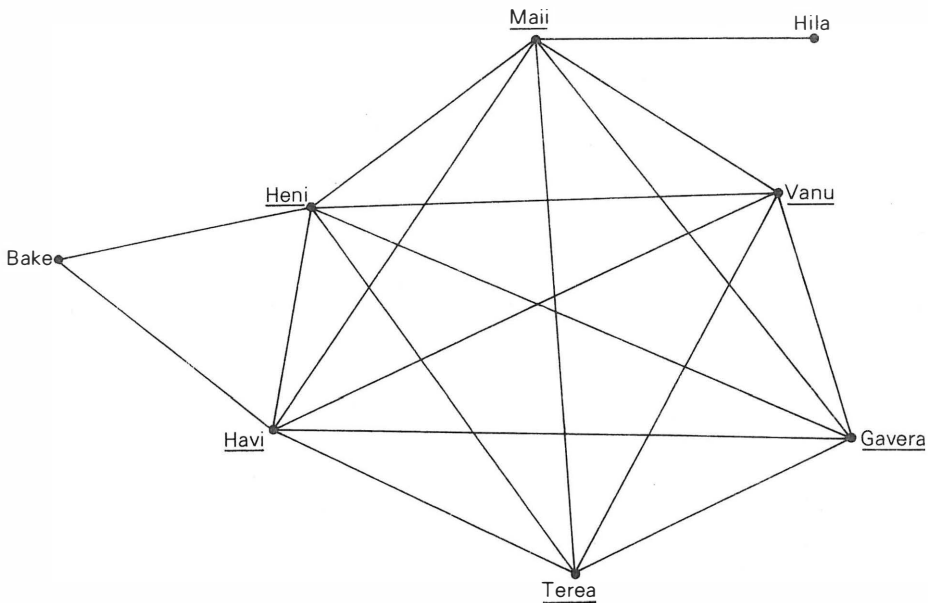


Figure 10. Builders and associated trades

concerned have been given 1 or 2 ratings, none was given 3 ratings and in only 2 instances was a 4 rating accorded. Contact with the BPC staff in particular is frequent.

The electrician is known to four builders but has not subcontracted to them and has most contact as a Motuan with other wantok.

The painters' contacts with other local businessmen are non-existent. Except for 6 contacts made by two men with other businessmen and 3 contacts made by another with field officers, their contact is solely with wantok in the same business or with other painters. This in part reflects the fact that such contracting has for some years been undertaken in Port Moresby mainly by Wanigela men. In the case of Hammond Motu the six proprietors come from different tribal backgrounds but all management functions are undertaken by the company secretary, who has most dealings with government and DB officers and clients (see Figs 9 and 10).

The assessment of frequency and intensity ratings by businessmen for BPC and DB field staff is given in Table 8.1.

Table 8.1

Contacts - clients and BPC/DB field staff - evaluation
and frequency ratings*

Client	Institution	BAO's		BAO Trainees			DB field staff		
		No.1	No.2	No.1	No.2	No.3	No.1	No.2	No.3
Gotao	DB/BPC	4/4**	4/4	4/4	4/4			4/4	
Tau	BPC	4/3	4/3		4/4			4/4	
Walo	BPC	1/2	1/2						
David	DB/BPC	4/2	2/1		2/1			4/4	
Bake	DB/BPC	1/1	1/1	1/1	1/1	1/1		1/2	
Vada	DB/BPC	1/3	1/3		1/2		2/4	1/3	
John	BPC		4/4	1/3	2/4	3/4			
Kei	DB/BPC	2/1	2/3			2/1			
Steven	BPC	4/1	4/1		4/1	4/1			
Sarao	BPC	1/2	1/1		1/1				
Willie	DB/BPC	2/4	3/4		3/4		2/3		2/3
Tali	BPC	1/4	2/4						
Mark	DB/BPC	2/1	2/3		1/2			1/2	
Tapora	DB/BPC	2/2			2/2			1/2	
Francis	BPC	1/4	1/4						
Lolo	DB/BPC	4/4			2/3				2/4
Andrew	DB	2/4							1/4
Gau	DB/BPC				4/4				
Lari	DB	3/4	2/4				3/4		
Peter			2/4						
Yamo	DB/BPC		1/4						
Lahui	DB/BPC							4/3	
Heni	DB/BPC	1/2			1/2		1/4		
James	BPC	2/2	2/3						
Minama	DB						4/4		4/1
Frank	DB						1/3		2/1
Tali	DB/BPC	4/2							
Maurice									4/4
Philip							4/3		4/3

* The following recorded a nil response for all field staff: Miro, Maii, Hila, Havi, Terea, Vanu and Gavera.

** The first figure records the intensity rating, the second the frequency rating.

Most businessmen themselves made the distinction between other businessmen and field staff in the latter case according an intensity rating not in terms of friendship but of whether the officer was regarded as a 'good' officer. Responses very much reflected the time at which data were collected: whether negotiations were then in progress for a DB loan, for instance. Generally officers given a high rating were frequently seen by a client whose business demanded specific assistance from one or both agencies.

If the businessmen are divided into traditional urban villagers and migrants, overall variations in the pattern of their interactions emerge. Of the 15 urban village respondents, 3 have contact with 13 other urban villagers, and another 4 with 10 or more, 4 have contact with 8 urban villagers, 1 with 7 and 3 with fewer than that. All except Lahui know at least one other businessman apart from wantok and others in the same business, and with the exception of Miro all have contact with at least one official. There is a dense clustering of multiplex links between the older established independents and numerous contacts between individuals in this category and other Motu-Koita businessmen. The older men have most non-wantok business connections as well (see Figs 11 and 12).

On the whole the 19 businessmen who are migrants to the town have fewer contacts with other local businessmen.¹ Those with most contacts are garage proprietors, many of whom have contacts with others in the same field, or known through the BPC (see Figs 13 and 14); a builder, Bake, who likewise has a number of trade associates and contacts through the BPC; and Willie, a manufacturer whose scale of business and prominence among local businessmen has gained him contact with other similarly placed associates. At the same time Bake, with 23 contacts, is well below the 32 known to one of the urban dwellers. There are 9 migrants with 10 or fewer local business contacts. Six do not know any in the 'other business' or 'non-wantok' category and 9 do not

¹ The discrepancy in figures arises because it seemed inappropriate in some cases to classify a mixed-race businessman either as a traditional urban villager or migrant. The term migrant is something of a misnomer, most men in this category being from areas fairly close to the town and in some cases with a good road connection. All, however, have homes in the town and none commutes daily though some frequently visit their home village at weekends.

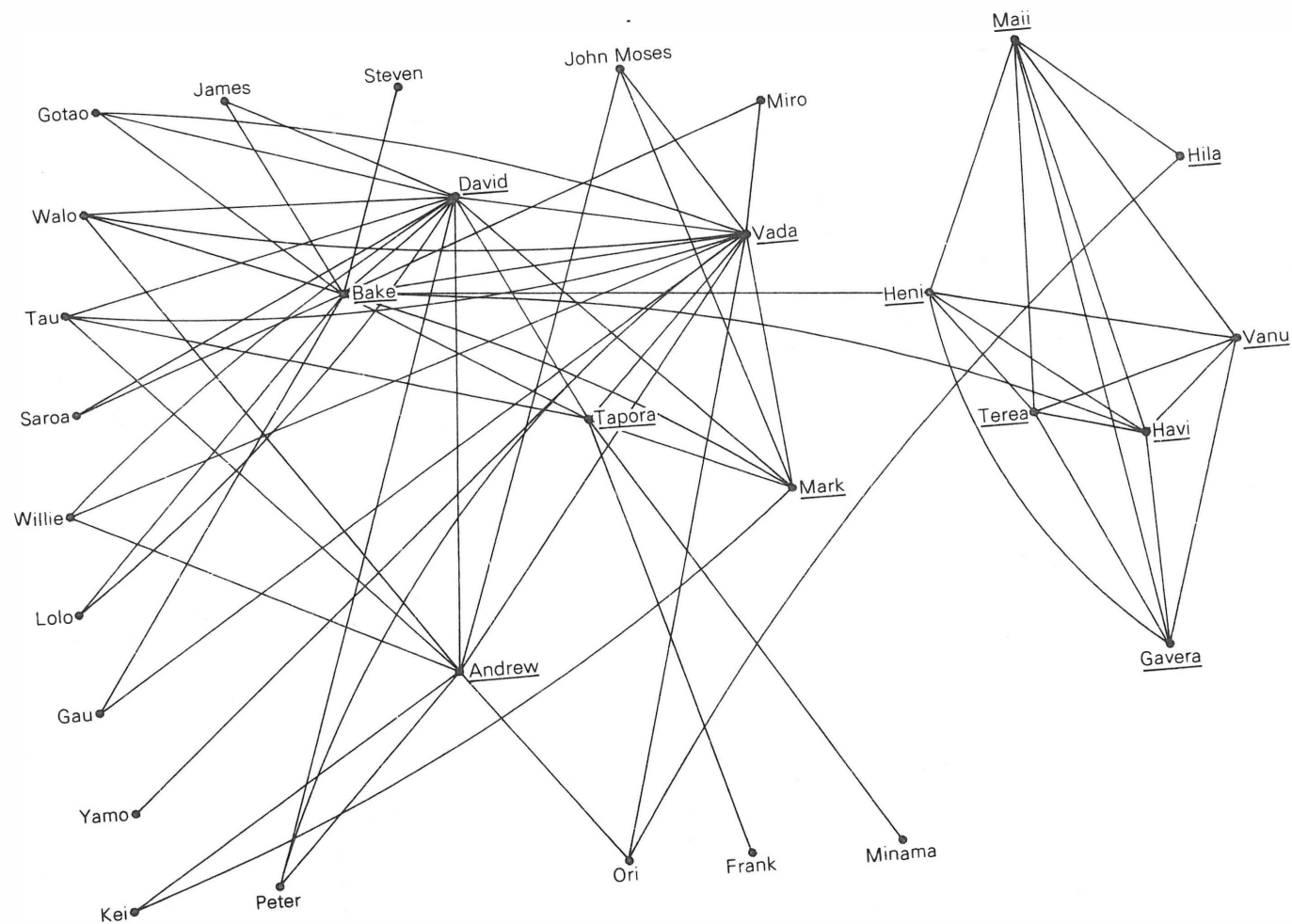


Figure 11. Hanuabadans/Hanuabadans

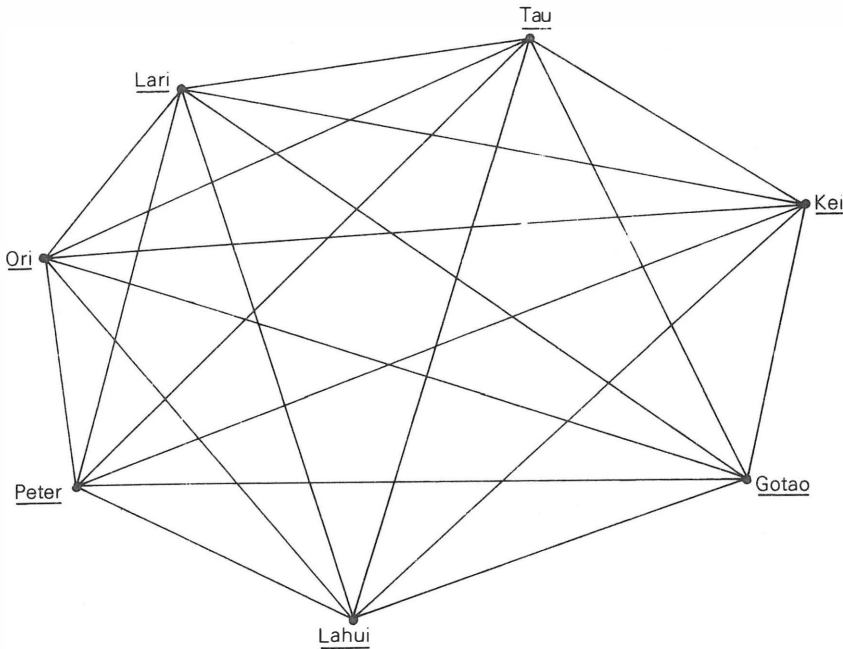


Figure 12 Hanuabadans/Hanuabadans

know any field officers. Most contacts are single-stranded business contacts excepting some of the painters for whom ties of neighbourhood, kinship, church affiliation and trade overlap (see Figs 15a-g).

Where relationships are reciprocal it is possible to work out patterns of evaluation and these would appear to have some significance. Similarly the imbalance in some relationships is interesting. Fourteen businessmen are known to more than they themselves claim to know. And if the total number of reciprocal links is deducted from the total number of links the imbalance may be even more striking and the weighting of the imbalance marked. In four cases the difference is 10 links or more. In the case of David most non-reciprocated ties are away from him, the most likely explanation being his outgoing personality. Figures for Francis, Hila and Tabora show that most non-reciprocal links are to the respondent. Both Francis and Hila have some connection with Hanuabada and as outsiders there have become

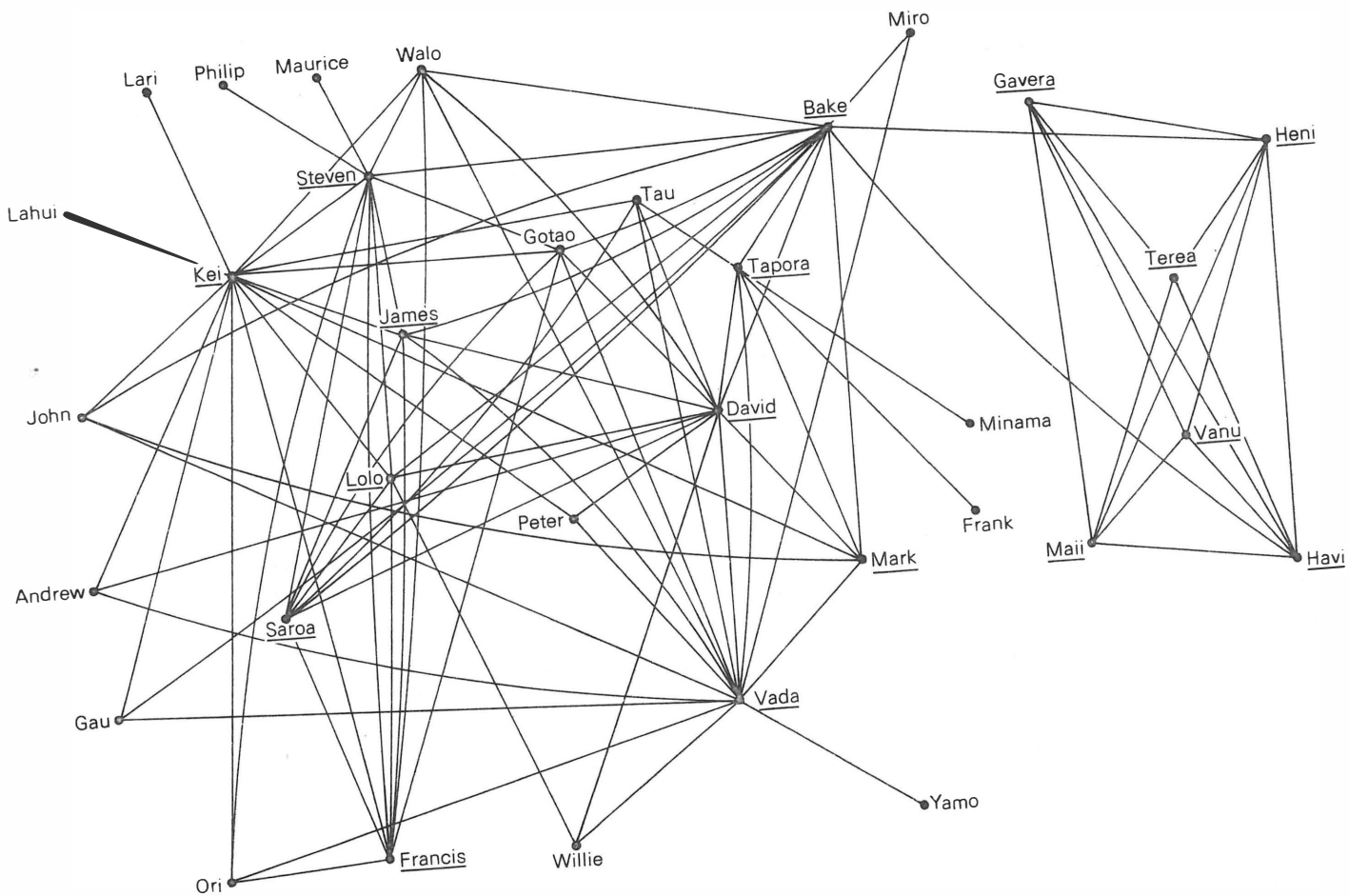


Figure 13. BPC based businessmen

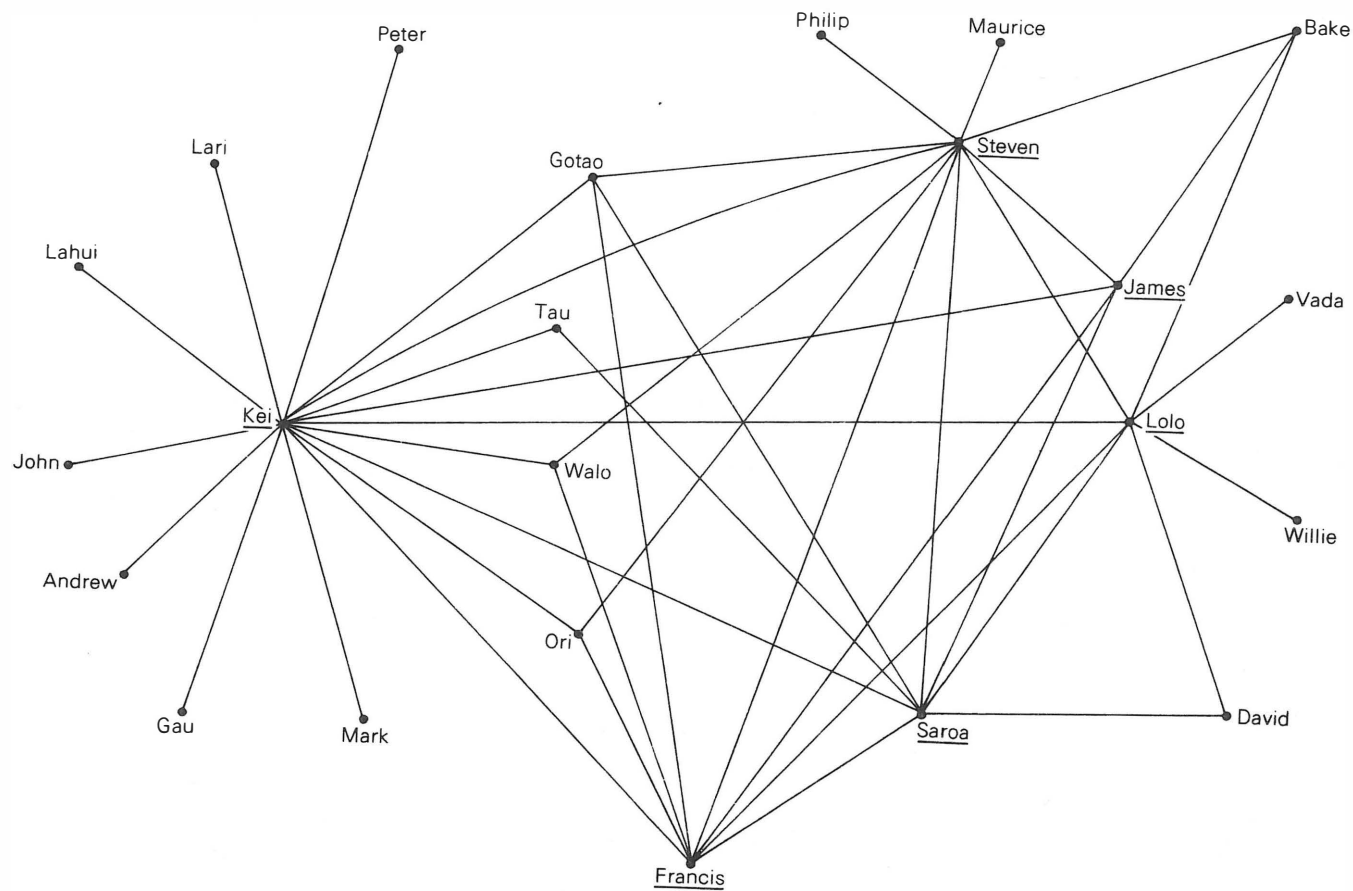


Figure 14. Mechanics

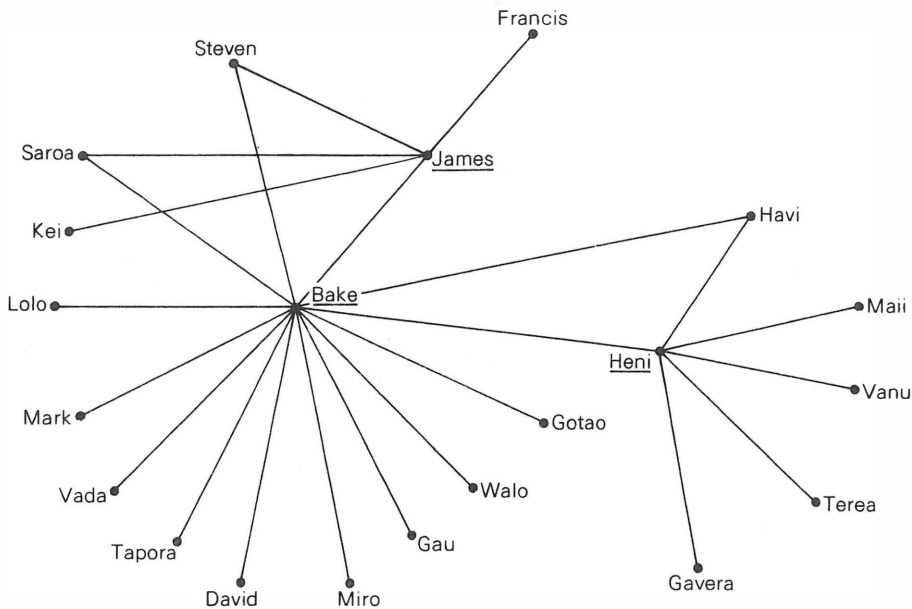


Figure 15a Migrants

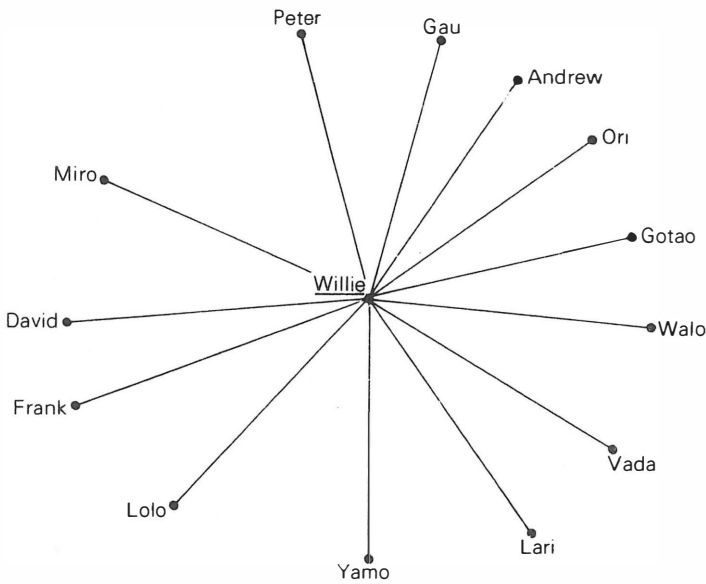


Figure 15b Migrants

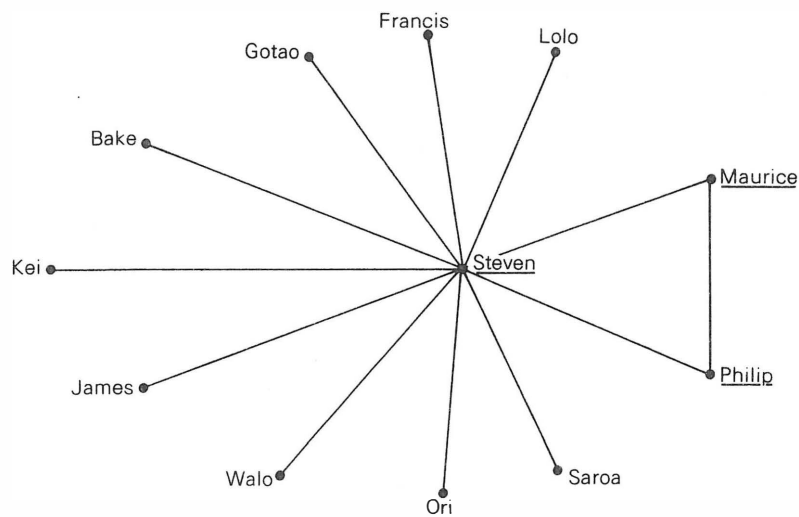


Figure 15c Migrants

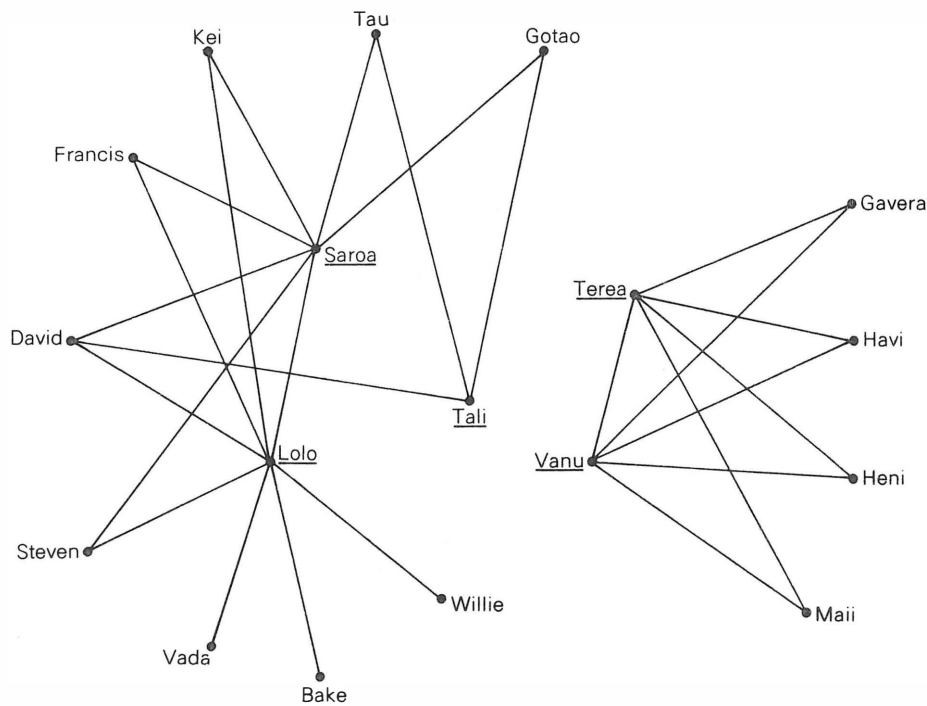


Figure 15d Migrants

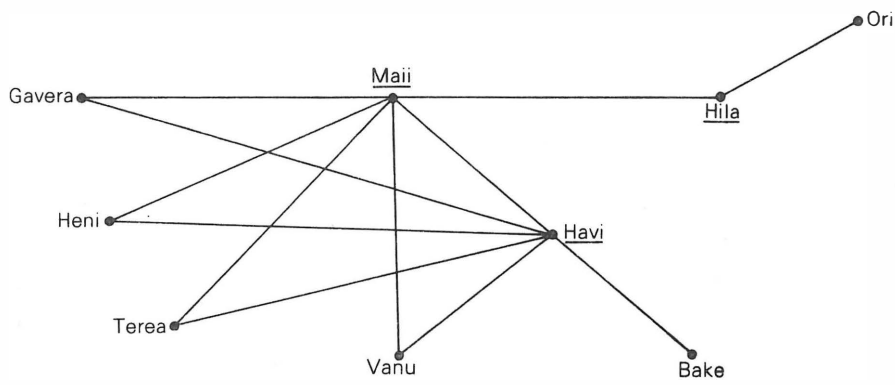


Figure 15e Migrants

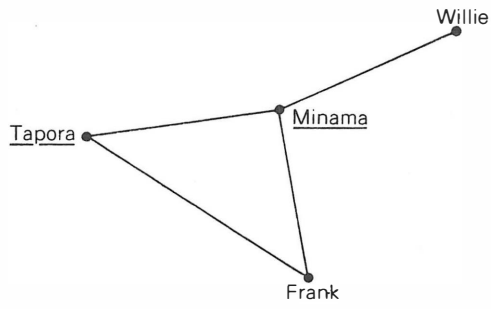


Figure 15f Migrants

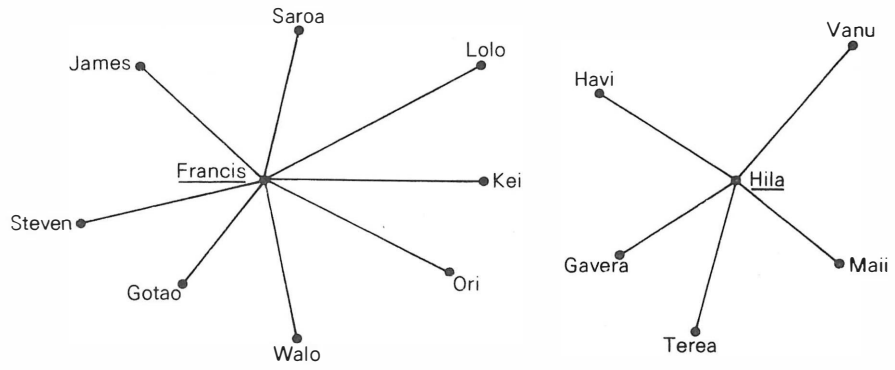


Figure 15g Migrants

known to a number of Motu businessmen; Tapura's success in business has attracted the notice of others. In the case of Tau all non-reciprocal links are from the respondent to others, a feature I am unable to explain. Ori's prominence in political circles probably accounts for the four non-reciprocal links focussing on him. Likewise his brother Peter is prominent in wide social circles. Willie, like Tapura, is known to more people than he knows and again the explanation is success in business. James claims to want to know few of the townspeople as a way of avoiding 'trouble', a statement supported by his return; as a member of a well-known mixed-race family he is however, known on a non-reciprocal basis to seven other Port Moresby businessmen.

In evaluating reciprocal relations for ten men, the matching of the 1,2,3,4 ranking they themselves chose was the most common response. In eight cases most evaluations were higher than the respondent accorded, in five cases lower, and in three cases 2 different evaluation ratings came up with equal frequency. Some of the cases in the + and - categories are of interest. Thus, Gotao, the businessman with the greatest number of contacts, is rated by 4 men equally, in 1 case is given a lower rating and by 13 respondents is evaluated more highly than they are by him. His is a long established business comprising a barber's shop and a truck on hire to a government department. He is known to many people and is the purveyor of much local gossip. Moreover, Gotao is something of a Walter Mitty in the business world of the town: his plans for future developments are always grandiose, seldom realised. He bought a driving school but that failed; set up a pest control enterprise with two Australians but they subsequently skipped the country. More recently he entertained plans of backing a building contractor and developing a picture theatre. Gotao constitutes a threat to nobody, is a good source of information, and a helpful contact in securing introductions to a wide range of people in the town. These factors probably account for his prominence among local businessmen.

Another who is more frequently rated higher than his own evaluation of contacts is Willie. In his case the figures are 3 equal, 7 higher and 3 lower. Willie's business activities are well known and his prominence in such expatriate-dominated organisations as the Chamber of Commerce and the Lions Club contributes to the status he enjoys among local businessmen.

Table 8.2

Contacts

	Knows	Known to	Total links	Reciprocal links	Difference between total & reciprocal links	Ego	Ego	=	+	-	Total reciprocal links
Gotao	22	20	42	36	6	4	2	4	13	1	18
Walo	20	22	42	36	6	2	4	8	4	6	18
Tau	24	16	40	32	8	8	0	9	4	3	16
Ori	17	21	38	34	4	0	4	8	1	8	17
Vada	17	21	38	32	6	1	5	6	2	8	16
Bake	16	20	36	28	8	2	6	6	0	8	14
Kei	19	16	35	30	5	4	1	8	5	2	15
Willie	14	21	36	28	8	2	6	4	7	3	14
David	18	17	35	24	11	6	5	6	3	3	12
Peter	15	19	34	28	6	1	5	9	3	2	14
John	16	14	30	24	6	4	2	6	4	2	12
Steven	15	13	28	22	6	4	2	7	3	1	11
Miro	13	15	28	22	6	4	2	5	2	4	11
Francis	12	16	28	16	12	4	8	1	2	5	8
Gau	13	14	27	24	3	1	2	3	9	0	12
Andrew	12	14	26	18	8	3	5	5	3	1	9
Tapora	11	14	25	14	11	4	7	3	3	1	7
Lari	11	12	23	20	3	1	2	6	0	4	10
Saroa	12	10	22	16	6	4	2	5	0	3	8
James	8	13	21	12	9	2	7	3	1	6	9
Mark	11	9	20	12	8	5	3	2	1	3	6
Lahui	11	8	19	14	5	4	1	2	1	4	7
Yamo	11	7	18	10	8	6	2	2	1	2	5
Lolo	8	9	17	12	5	2	3	2	3	1	6
Maii	9	8	17	12	5	3	2	3	0	3	6
Heni	9	7	16	12	4	3	1	1	4	1	6
Hila	6	10	16	6	10	3	7	1	2	0	3
Havi	8	6	14	12	2	2	0	0	5	1	6
Tali	9	4	13	6	7	6	1	1	0	2	3
Vanu	5	7	12	10	2	0	2	3	1	1	5
Terea	6	5	11	10	1	1	0	2	0	3	5
Gavera	5	6	11	10	1	0	1	2	1	2	5
Frank	6	3	9	6	3	3	0	2	0	1	3
Minama	4	2	6	4	2	2	0	1	1	0	2
Maurice	3	2	5	4	1	1	0	2	0	0	2
Philip	3	2	5	4	1	1	0	2	0	0	2

For Gau, a Motuan storekeeper, the figures are 3 equal and 9 higher and in this case the response would seem to be that of respect by other Motu and Koita businessmen for an older man well regarded in his own community but little known beyond that.

Heni and Havi are two of the directors of Hammond Motu and since most reciprocal ties are with others in the company this would suggest that their position within the company is strong.

Of those rated generally lower, Vada is one of the least successful builders, Bake is moderately successful in the same trade and the only migrant in the business, and Francis, a mechanic, is also a migrant (see Table 8.2).

Diaries

As an attempt to overcome the obvious weaknesses of dealing only with partial networks five businessmen, Walo, Yamo, Gotao, Willie and Lari, kept diaries.

Walo's diary extended over nine days during which he noted 39 contacts with 32 persons. Seventeen contacts were recorded with 14 Europeans, 8 with 6 Chinese and 14 with 12 Papua New Guineans. Business matters accounted for 13 meetings with Europeans and included 3 visits to the BPC to consult 2 field officers. Six meetings with Chinese involved business and 4 with Papua New Guineans, the latter including two meetings with the Motu wharf supervisor in charge of allocating work for BP's.

Other contacts were a visiting Australian parliamentarian and his wife, to whom Walo was asked to extend hospitality and provide an introduction to Porebada by the Speaker of the House of Assembly. On this occasion and on one other concerned with school affairs Walo met with members of the Porebada primary school staff and board of management. One evening Walo attended an official reception for members of an Australian army delegation. People spoken to on that occasion were not recorded.

Walo is the effective leader of his iduhu at Porebada. Daily contacts in the village are many and extend beyond his immediate family though focussing on the two houses occupied by his wives and their children.

All Mirikuro workers report daily at the office and some form of contact is made with them by Walo.

Some indication of the extent of a 'traditional' network that can be activated on a special occasion can be gauged from the series of exchanges initiated by Walo in connection with the marriage of his son (see Plate 7). The 'engagement payment' involved 88 Porebadans considered as relatives and 12 others from the village. In addition 34 Motuans from other villages, 14 kinsmen from beyond Porebada, 5 classified simply as friends, 4 known through business, 4 through Hiri links¹ and 2 others, a total of 163, contributed to the exchange. The contributions on this occasion were 1 cow, 2 pigs, 144 bags of flour, 106 bags of rice, 91 bags of sugar, 974 armshells and \$2,832 in cash. The second 'marriage payment' involved 62 Porebadan kinsmen, 31 others from the village, 1 friend, 3 known through Hiri links and 6 unspecified, a total of 125 persons. Contributions comprised 1,278 armshells and \$3,331.

Invitations to the wedding were extended to approximately 71 persons, 16 of whom were expatriates (7 couples where the husband worked in the motor trade, for PWD, for the company by whom the groom was employed, one single expatriate BAO, and myself). The indigenous couples included close kinsmen of Walo and his wives, four Porebadan employees of the company, and two school friends of Walo. Most of the others present at the wedding ceremony and the reception which followed were young people, contemporaries of the bride and groom. In total Walo's contacts are very numerous. For the most part they are village oriented and it may well be that his involvement in the modern economy as a businessman has enabled him to support and widen his personal 'traditional' set of links.

Gotao kept diary for fifty-eight days during which time he noted 154 contacts with 110 persons, 33 Europeans, and 77 Papua New Guineans. Most (18) of the Europeans were known as regular customers as were 11 Papua New Guineans.

Voluntary associations and general business matters involved Gotao to a considerable extent. Thus the affairs of the Moresby Truckers' Association of which Gotao is an executive committee member accounted for 19 contacts with 8 persons including 2 field officers of the BPC. Gotao is connected with the Gabagaba youth club, a Hanuabada social

¹ A reference to a traditional coastal trade in sago and pots carried out between partners and known as the Hiri trade.

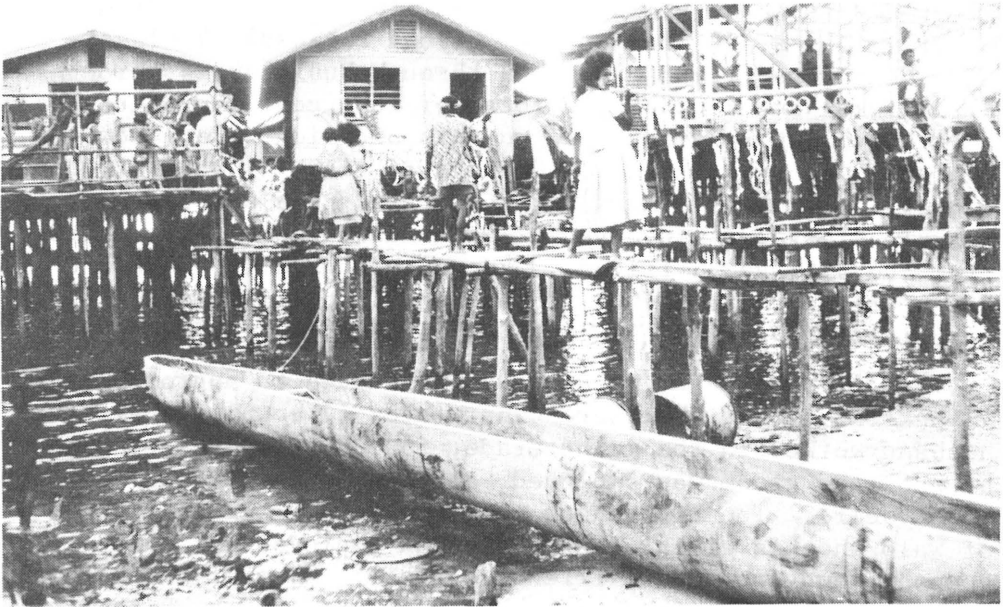


Plate 7. Presenting the bridewealth at Porebada.

club, and 3 visits to the shop by two young Motuans were concerned with club matters. He is also a member of the board of directors of Maigabu autoport, then a newly established business with predominantly Motu backing, and met with three other board members to make arrangements for the official opening of the company's premises. At this function Gotao was one of the main speakers and spoke informally afterwards with an unrecorded number of guests and onlookers. Finally, Gotao is a member of the Port Moresby Chamber of Commerce and while noting only two persons as known to him through that organisation, attended one of their dinner meetings during this time and again spoke with an unspecified number of members.

Many other contacts of Gotao's were casual meetings with other Motuans from Hanuabada and Kapakapa, his wife's home village. Frequent visits were made there and Kapakapa people in town often stopped by at the shop in Boroko. Thirty-six contacts made in this way were noted. Another

20 encounters were made with male Motuan contemporaries, many prominent in Port Moresby affairs, over a drink.

Gotao's daily range of contacts comprised his wife and the five children living at home, 4 brothers, 2 of them married, each with 2 children, his next-door neighbour's wife, another neighbour, his wife, their son and daughter-in-law and their two children.

During the sixteen days for which he kept a diary Yamo recorded a total of 54 contacts with 35 people. Of these 5 were Europeans, 3 connected with the United Church, 1 with a welfare organisation and 1 with the village school. These account for 7 meetings. Yamo had 1 meeting with a Chinese trader at Koki. Of the rest there were 6 contacts with 5 persons connected with the church and 15 with 11 persons regarding matters of general village welfare. Four persons included in this number were concerned through Yamo to settle a dispute between Hanuabada and Baruni villagers sparked off by a fight between drivers employed by Yamo and Ori. Contacts associated with the transport side of Yamo's business numbered 8 and involved 5 men while he had one contact with another retailer. Four men who called at Baruni on 11 occasions were local magistrates on circuit, two of whom are known to Yamo from schooldays and have in recent years introduced him to a number of their colleagues. Yamo had 6 casual encounters with 5 friends.¹

One of the aspects of business Yamo claims he finds most attractive is the opportunity to follow up wider interests and he devotes much time especially to church work in the Port Moresby circuit. Within the village he is also involved in church and general pastoral care since Baruni is without a resident minister and as a lay preacher he has taken on that function.

There are daily contacts with the storekeeper, the two drivers, and the four labourers employed in cutting firewood. The time Yamo spends in the shop and the number of customers dealt with varies considerably from day to day. Social contacts with neighbours do not appear to be numerous. The household comprises Yamo, his wife and their seven children. Other daily contacts generally include close kinsmen in Baruni.

¹ The figures do not tally because two persons were engaged in different types of encounter over the period.

In the course of thirty-three days Lari made a total of 222 contacts with 173 persons. Of these 61 were with Europeans, 2 Chinese, and the others, while mainly Motuan, include numbers (17) from diverse tribal backgrounds. The 2 Chinese contacts are business contacts. Of the rest 23 contacts with Europeans and 33 with Papua New Guineans were made through the Pagini Club, 76 contacts with Papua New Guineans and 20 with Europeans were of a social nature but not connected with the club; and business contacts accounted for 20 meetings with Papua New Guineans and 31 with Europeans. In addition, associations formed at the office in Port Moresby where Lari has worked accounted for 3 meetings with Europeans and 4 with Papua New Guineans. Finally, Lari's meetings with the secondary school studies committee involved 5 Europeans and 4 Papua New Guineans.

Over this period Ngaio Industry was establishing a branch factory at Lae and while keeping the diary Lari made two brief visits. There Lari made 32 contacts with Papua New Guineans, one set of people clustering around his brother-in-law, at the time resident in Lae, and another group comprising contemporaries of Lari, mainly young Hanuabadans attending courses at the institute of technology. A further 19 contacts in Lae were concerned with business matters.

Overall 49 persons were contacted on more than 1 occasion. Those seen most frequently were 3 members of the Pagini Club, 1 European and 2 Papua New Guineans, each met on 4 occasions, and 3 others, again 1 European and 2 Papua New Guineans met 4 times each on the basis of friendship formed outside the club. Five of those seen more than once were business associates, 10 friends, the rest club members.

In addition Lari has daily contact with his wife and children and their domestic help, his patron, and the workers at the factory. He visits his parents in Hanuabada at least 3 times weekly and when there fairly regularly visits his 5 married sisters, 1 married brother, their spouses and children.

Willie kept a diary for eight days during which time he recorded 72 contacts with 60 persons, 32 of them Europeans, the rest Papua New Guineans. Most contacts, 28 European and 26 Papua New Guinean, were connected with business matters. Four Europeans and 14 Papua New Guineans were met in casual encounters. During this time also Willie and a wantok visited Koki market, a market place for many Mekeo betel nut traders, and the homes of mutual friends living in Port Moresby and at Rouna. On these occasions Willie met an

unspecified number of people. Similarly, one evening Willie attended a singsing at Murray Barracks and again spoke with many friends and acquaintances and another evening was spent at a Lion's club meeting where he had contact with many members of what is a largely European association.

Daily contacts comprised Willie's wife, children and his mother, the workers at Allied Enterprises and an officer from the SIC.

Conclusions

Overall, there are clearly divergent patterns in the number and content of links recorded by individual diarists. The older established businessmen had significantly fewer contacts per day on average than the younger independents. For the former most contact continued to be with wantok. Typically non-wantok were met either during business or during some village based welfare work. This was especially the case for Walo and Tau. Gotao, whose business enables him to have a wide range of meetings and who tends to identify more closely with expatriate models of business behaviour, had a number of European social contacts, some through voluntary associations. Wantok ties continued to be important for the younger independent businessmen also. However, they also had a number of ties with non-wantok Papua New Guineans and expatriates. For Willie these ties were still mainly of a business nature. In marked contrast, many of Lari's contacts with non-wantok were social, a reflection of the life-style he has adopted in moving away from Hanuabada. Nevertheless, for all diarists, most multiplex links were with close kin and neighbours, and most non-wantok links are uniplex. It should also be noted that in part such differences as do appear in this respect between older men and younger men may be simply a factor of age: the young Hanuabadan expresses negative views about traditional exchanges but he cannot yet assume a prominent and prestigious role in such a milieu. And in his home community Willie is even now concerned to assure himself of a place by building the first European-style home in brick there.

Rew (1969: 25) found that 'the theme of wantok pervades much of immigrant Papua New Guinea thinking and social action in the town of Port Moresby'. Indigenous businessmen in the town, whether urban villager or migrant, have more opportunities and experience fewer constraints than Rew's migrant workers but for them also the theme of wantok is strong. This is especially so when ethnic groupings and

business interests coincide. Thus two dense networks are formed by the Motu-Koita businessmen in the fields of transport-retailing and by the painters.

Traditional urban villagers have wider contact sets than migrants and form more business contacts with non-wantok. Businessmen linked with the BPC have a greater range of contacts than those tied to the DB. In part this is because the BPC provides a convenient meeting place; in part it reflects the fact that most DB-tied businessmen have thus far been migrants. Younger businessmen, whether migrant or urban villager, appear at once to have more confidence in dealing with wide range of contacts on a social basis, and a greater desire to identify more with town-based social institutions rather than village-based activities. At the same time, as Walo's exchange relationships show, the village-based contact set of a big businessman is considerably affected by his town-based business operations. And in the rating of businessmen, high status may attach both to the traditional urban villager and to the newly successful migrant.

Finally it would seem that involvement in business as such may do little to widen the social horizons of an indigenous businessman in a town such as Port Moresby. To a large extent this is a reflection of their concept of business. Education and travel, a range of job activities and involvement in voluntary associations: these are probably more important factors allowing greater choice in the formation of individual action sets. For many of Port Moresby's present generation of businessmen, this social world is fairly circumscribed: they remain villagers with a business in town.

List of abbreviations used

AEC	Administrator's Executive Council
ANGAU	Australia New Guinea Administration Unit
BAO	Business Advisory Officer
BPC	Business Promotion Centre
BP	Burns Philp Ltd
CDW	Commonwealth Department of Works
CMS	Church Missionary Society
DB	Development Bank of Papua New Guinea
DBD	Department of Business Development
HAD	House of Assembly Debates
HC	Housing Commission
IMQ	Indigenous Married Quarters
LMS	London Missionary Society
LPO	Local Purchase Order
MTA	Moresby Truckers' Association
NLB	Native Loans Board
PMV	Passenger Motor Vehicle
PWD	Public Works Department
SIC	Small Industries Centre
STC	Steamships Trading Company Ltd

Bibliography

- Andrews, C., 1971a. 'The Niuginian entrepreneur: logical areas for increased local participation', paper to Australian Society of Accountants Conference, TPNG Group, May.
- 1971b. 'Workers and wantoks: management and labour in local enterprises', paper to a seminar on localisation, Port Moresby, October.
- Apthorpe, R., 1970. 'Development studies and social planning', Journal of Development Studies, vol.6, no.4, pp.1-28.
- 1970. 'African rural development planning and the conceptions of the "human factor"', Journal of Development Studies, vol.6, no.4, pp.140-51.
- Arndt, H., 1969. 'Too many invidious and invalid comparisons?', New Guinea, vol.4, no.2, pp.54-9.
- Barnes, V.A., 1969a. 'Graph theory and social networks: a technical comment on connectedness and connectivity', Sociology, vol.3, no.2, pp.215-32.
- 1969b. 'Networks and political process in social networks', in Urban Situations (J.C. Mitchell, ed.), University of Manchester Press, Manchester.
- Belshaw, C., 1954-55. 'The cultural milieu of the entrepreneur: a critical essay', Exploration in Entrepreneurial History, vol.7, no.3, pp.146-63.
- 1957. The Great Village, Routledge and Kegan Paul, London.
- 1965. Traditional Exchange and Modern Markets, Englewood Cliffs, New Jersey.
- Bettison, D.G., et al, 1962. The Independence of Papua New Guinea, Angus and Robertson, Sydney.
- 1966. 'The expatriate community', in New Guinea on the Threshold (E.K. Fisk, ed.), Australian National University, Canberra.
- Blau, P.M., 1967. Exchange and Power in Social Life, Wiley, New York.
- Blaxter, L. and Fitzpatrick, P., 1973. 'The informal sector: a new strategy for development', unpublished discussion paper, University of Papua New Guinea, Port Moresby.
- Bott, E., 1957. Family and Social Network, Tavistock, London.
- Caplow, T., et al, 1964. The Urban Ambience, Prentice-Hall, Englewood Cliffs.
- Chatterton, P., 1970. 'Interlude between two worlds: Hanuabada in the 1930's', Journal of the Papua New Guinea Society, vol.4, no.1, pp.73-80.
- Cheetham, R.J., 1962-63. 'The development of indigenous agriculture, land settlement and rural credit and facilities in Papua New Guinea', Papua New Guinea Agricultural Journal, vol.15, nos 3-4, pp.67-78.
- Cleland, Sir D., 1968. 'An Administrator reflects', in The History of Melanesia (K.S. Inglis, ed.), Australian National University and University of Papua New Guinea, Canberra.
- Clunies Ross, A., 1971. 'Dilemmas and expedients in Papua New Guinea's development', Economic Record, vol.47, no.120, pp.470-93.
- Colquhoun, A.H., nd. 'Indigenous businessmen', unpublished typescript, Port Moresby.

- Cooper, K., 1972. 'Economic models in development planning', Australian External Territories, vol.12, no.1, pp.9-14.
- Crocombe, R.G.C., 1968-69. 'That five year plan', New Guinea, vol.3, no.3, pp.57-70.
- 1969. 'The debate goes on', New Guinea, vol.4, no.3, pp.49-58.
- 1971. Review of Koro: Economic and Social Change in Fiji by R.F. Watters in Journal of the Polynesian Society, vol.80, no.4, pp.505-20.
- Cummings, L.P., Manly, B.J. and Weinand, H.C., 1973. 'Measuring association in link-node problems', Geoforum, vol. , no.13, pp.43-51.
- Curtin, P.E.W., 1970. 'Niugini's political development: economic aspects', in The Politics of Melanesia (M. Ward, ed.), Australian National University and University of Papua New Guinea, Canberra.
- Dalton, G. (ed.), 1967. Tribal and Peasant Economies, American Museum of Natural History, New York.
- 1969. 'Theoretical issues in economic anthropology', Current Anthropology, vol.10, no.1, pp.63-102.
- Dicke, E., 1968. 'The rise of the entrepreneur', Anthropological study Conference Proceedings, New Guinea Lutheran Mission - Missouri Synod, Wabag.
- Donohue, K., 1970. 'Problems in the development of indigenous enterprises', Manpower Planning Unit, Department of Labour, Port Moresby.
- Douglas, M. (ed.), 1970. Witchcraft, Confessions and Accusations, Tavistock, London.
- Economist Intelligence Unit, 1972. A Study of the Less Developed Areas of Papua New Guinea, Economist Intelligence Unit, Melbourne.
- Edwards, L., 1969. 'Business Advisory Service', paper to the Lae Business Advisory Service Conference, May.
- Elder, D., 1969. 'Encouraging the small businessman', paper to the Third Waigani Seminar, Port Moresby.
- Epstein, A.L., 1967. 'Urbanisation and social change in Africa', Current Anthropology, vol.8, no.4, pp.275-95.
- Epstein, T.S., 1962. Economic Development and Social Change in South India, Manchester University Press, Manchester.
- 1968. Capitalism, Primitive and Modern, Australian National University, Canberra.
- 1969. 'The Plan and its assumptions', New Guinea, vol.4, no.3, pp.59-63.
- Esseks, J., 1971. 'Government and indigenous private enterprise in Ghana', Journal of African Studies, vol.9, no.1, pp.11-29.
- Finney, B.R., 1969. 'New Guinean entrepreneurs', New Guinea Research Bulletin, no.27, New Guinea Research Unit, Port Moresby and Canberra.
- 1970. 'Big-men, half-men and trader chiefs: entrepreneurial styles in Australian New Guinea and French Polynesia', ANU seminar paper, Canberra.
- Finney, R.S., 1971. 'Would-be entrepreneurs? A study of motivation in New Guinea', New Guinea Research Bulletin, no.41, New Guinea Research Unit, Port Moresby and Canberra.
- Firth, R.W., 1959. Economics of the New Zealand Maori, Government Printer, Wellington.
- (ed.), 1967. Themes in Economic Anthropology, Tavistock, London.

- Firth, R.W. and Yamey, B., 1964. Capital Saving and Credit in Peasant Societies, Allen and Unwin, London.
- Fisk, E.K., 1966. New Guinea on the Threshold, Aspects of Social, Political and Economic Development, Australian National University, Canberra.
- 1969. 'How fast do you go', New Guinea, vol.4, no.2, pp.64-71.
- 1970. The Political Economy of Independent Fiji, Australian National University, Canberra.
- Fitzpatrick, P., 1971. 'Co-operative societies legislation, the possibilities for reform', paper for the New Guinea Legal Research Council for submission to the Commission of Enquiry into Co-operatives.
- Frank, A.G., 1969. Latin America: Underdevelopment or Revolution, Monthly Review Press, New York.
- Garnaut, R., 1972. 'Problems of inequality', New Guinea, vol.7, no.3, pp.52-62
- Geiger, T. and Armstrong, W., 1964. The Development of African Private Enterprise, National Planning Association, Washington.
- Groves, M., 1957, 'Sacred past and profane present', Quadrant, vol.1, pp.38-47, June.
- 1962. New Guinea: Australia's Colonial Fantasy, University of Melbourne, Melbourne.
- 1963. 'Western Motu descent groups', Ethnology, vol.2, no.1., pp.15-30.
- Hanssen, B., 1953. 'Fields of social activity and their dynamics', Transactions of the Westernmarck Society, vol.11.
- Hart, K., 1970. 'Small scale entrepreneurs in Ghana and development planning', Journal of Development Studies, vol.6, no.4, pp.104-19.
- Hastings, P., 1969. New Guinea, Problems and Prospects, Cheshire, Melbourne.
- Hausman, W.H. (ed.), 1963. Managing Economic Development in Africa, M.I.T. Press, Massachusetts.
- Hitchcock, E. and Oram, N.D., 1967. 'Rabia Camp: a Port Moresby migrant settlement', New Guinea Research Bulletin, no.14, New Guinea Research Unit, Port Moresby and Canberra.
- Hoselitz, B.F., 1960. Sociological Aspects of Economic Growth, Collier-Macmillan, London.
- Howe, A., 1970. 'Industrial development, actual and potential in urban areas of Papua New Guinea', Paper to ANZAAS Conference, Port Moresby.
- Howlett, D., 1962. 'A decade of change in the Goroka Valley', Ph.D. thesis, Australian National University, Canberra.
- Hutton, V., nd (c. 1968). 'Building and construction in Papua New Guinea's development: a survey of problems and prospects 1968', Makerere Institute of Social Research paper no.168.
- Inglis, K., 1968. 'War, race and loyalty in New Guinea, 1939-45', in The History of Melanesia (K.S. Inglis, ed.), University of Papua New Guinea and Australian National University, Canberra.
- Ireland, D., 1971. The Unknown Industrial Prisoner, Angus and Robertson, Sydney.
- Jackman, H., 1967. 'Some problems of indigenous businessmen in Papua New Guinea', seminar paper, University of Papua New Guinea.
- 1970. Report of a paper to the Port Moresby branch of the Australian Institute of Management, PNG Manager, vol.1, no.4, pp.16-17.

- Jay, E.J., 1964. 'The concept of "field" and "network" in anthropological research', Man, vol.64, no.177, pp.137-41.
- Kapferer, B., 1969. 'Urban Africans at work, a study of social relationships in a Zambian factory', Ph.D. thesis, University of Manchester.
- Kaputin, J., 1969. 'Australia's carpet baggers', New Guinea, vol.4, no.1, pp.35-42.
- Katz, F.E., 1966. 'Social participation and social structure', Social Forces, vol.45, no.2, pp.199-210.
- Kilby, P., nd (c. 1961). The Development of Small Industry in Eastern Nigeria.
 -- (ed.), 1971. Entrepreneurship and Economic Development, Free Press, New York.
- Langmore, J.V., 1967. 'Contractors in Port Moresby', in 'Papuan entrepreneurs', New Guinea Research Bulletin, no.16, New Guinea Research Unit, Port Moresby and Canberra.
- 1970. 'Economic and demographic trends', in 'Port Moresby urban development', New Guinea Research Bulletin, no.37, New Guinea Research Unit, Port Moresby and Canberra.
- 1972. 'A critical assessment of Australian economic policy for Papua New Guinea between 1945 and 1970', Economics Department Discussion Paper no.1, University of Papua New Guinea, August.
- Laumer, H., 1970. 'Channels of distribution in Uganda', in Studies in Production and trade in East Africa (P. Zavadacz, ed.), Weltforum Verlag, Munich.
- LeClair, E.J. and Schneider, H.K. (eds), 1968. Economic Anthropology, Readings in Theory and Analysis, Holt, Rinehart, and Winston, New York.
- LeVine, R.A., 1966. Dreams and Deeds: Achievement Motivation in Nigeria, Chicago University Press, Chicago.
- Lloyd, P.C. et al, 1967. The City of Ibadan: A Symposium on its Structure and Development, Cambridge University Press, Cambridge.
- Long, N., 1968. Social Change and the Individual, Manchester University Press, Manchester.
- McClelland, D.C., 1961. The Achieving Society, Van Nostrand, Princeton.
- McClelland, D.C. and Winter, D.G., 1969. Motivating Economic Achievement, The Free Press, New York.
- McSwain, R.M., 1971. 'The reaction of Karkar islanders to Administration programmes of development', Ph.D. thesis, University of Queensland.
- Magini, R., nd. 'Report of tradestore survey, 28-1-64 to 20-3-64', Department of Trade and Industry, Port Moresby, typescript.
- Magubane, B., 1971. 'A critical look at indices used in the study of social change in colonial Africa', Current Anthropology, vol.12, nos 4-5, pp.419-45.
- Marris, P., 1968. African City Life, Makerere Institute of Social Research, Makerere.
- 1968. 'The social barriers to African entrepreneurship', The Journal of Development Studies, vol.5, no.1, pp.29-38.
- Marris, P. and Somerset, A., 1971. African Businessmen, Routledge and Kegan Paul, London.
- Marwick, M.G., 1964. 'Witchcraft as a social strain gauge', The Australian Journal of Science, vol.26, no.9, pp.263-68.

- Matane, P., 1970. 'Growth of indigenous participation in commerce and industry', address to the Australian Administrative Staff College Association, Brisbane, June.
- 1971. 'A review of government policy, activity and encouragement of local participation in business', paper to the Australian Society of Accountants, Port Moresby, May.
- 1972. 'Indigenous business development in Papua New Guinea', Australian External Territories, vol.12, no.1, pp.2-8.
- Mattes, J.R., 1972. 'Contributational development, a short history', New Guinea, vol.7, no.2, pp.4-29.
- Mayer, P., 1962. 'Migrancy and the study of Africans in towns', American Anthropologist, vol.64, no.3, pp.576-92.
- Mazrui, A., 1967. On Heroes and Uhuru-Worship: Essays on Independent Africa, London.
- Mihalic, F., 1971. Dictionary and Grammar of Melanesian Pidgin, Jacaranda Press, Brisbane.
- Mitchell, J.C. (ed.), 1969. Social Networks in Urban Situations, Manchester University Press, Manchester.
- Morea, H., 1969. 'Formation and management of joint expatriate-local business, a case history from an indigenous point of view', Journal of Papua New Guinea Society, vol.3, no.2, pp.79-84.
- Morgan, P., 1971. 'New Guinea: a case of nervous breakdown', The Bulletin, 17 July.
- Moulik, T.K., 1971. 'Perceptual impediments to development: insights from social-psychology', in Change and Development in Rural Melanesia (M.W. Ward, ed.), University of Papua New Guinea and Australian National University, Canberra.
- 1973. 'Money, motivation and cash cropping', New Guinea Research Bulletin, no.51, New Guinea Research Unit, Port Moresby and Canberra.
- Murray, J.K., 1968. 'In retrospect, 1945-1952', in The History of Melanesia, University of Papua New Guinea and Australian National University, Canberra.
- Nadkarni, M.S., 1970a. 'Developing Niugini's entrepreneurs', Address to the Niugini Economic Society, University of Papua New Guinea.
- 1970b. 'Indigenous entrepreneurs for Papua New Guinea' (the Nadkarni report), UNIDO, Port Moresby.
- 1970c. 'Entrepreneurship in New Guinea: some psychological speculations', seminar paper, New Guinea Research Unit.
- Nafziger, E.W., 1970. 'The relationship between education and entrepreneurship in Nigeria', The Journal of Developing Areas, vol.4, no.3, pp.349-59.
- Nash, G., 1970. 'Legal structure and indigenous business enterprises', New Guinea Research Bulletin, no.35, New Guinea Research Unit, Port Moresby and Canberra.
- Nelson, H.K., 1972. Papua New Guinea, Black Unity or Black Chaos, Penguin, Ringwood.
- Nork, K. and Andrews, L.C., 1972. 'Ol Buang i Traim Wok Bisnis Long Port Moresby: A study of Buang Taxi Trucks', unpublished paper, University of Papua New Guinea, April.
- Office of the Administrator, 1968. Programmes and Policies for the Economic Development of Papua New Guinea, Port Moresby.

- Office of the Economic Adviser, 1969. 'Central District draft economic development programme', Port Moresby, July.
- Office of Programming and Co-ordination, 1971. The Development Programme Reviewed, Port Moresby.
- Ogan, E., 1972. 'Business and cargo: socioeconomic change among the Nasioi of Bougainville', New Guinea Research Bulletin, no.44, New Guinea Research Unit, Port Moresby and Canberra.
- Oram, N.D., 1967. 'Social and economic relationships in a Port Moresby canoe settlement', New Guinea Research Bulletin, no.18, New Guinea Research Unit, Port Moresby and Canberra.
- 1970a. 'Land and race in Port Moresby', Journal of the Papua New Guinea Society, vol.4, no.1, pp.5-28.
- 1970b. 'Indigenous housing in Port Moresby', in 'Port Moresby urban development', New Guinea Research Bulletin, no.37, New Guinea Research Unit, Port Moresby and Canberra.
- 1972. 'A history of Port Moresby', typescript.
- Ovia, G., 1972. 'Election pamphlet', Port Moresby.
- Papua New Guinea, Department of Trade and Industry, 1968-71. Register of Manufacturers and Their Products, Port Moresby.
- 1972. 'Papua New Guinea service industries and industrial suppliers', unpublished.
- Parker, R.S., 1966. 'The growth of Territory Administration', in New Guinea on the Threshold (E.K. Fisk, ed.), Australian National University, Canberra.
- Parratt, J.K., 1970a. 'Religion and the migrant to Port Moresby', paper to the ANZAAS Conference, Port Moresby.
- 1970b. 'Urbanisation and sorcery in Port Moresby', seminar paper, Department of Anthropology, Research School of Pacific Studies, Australian National University.
- Parsons, T., 1961. The Structure of Social Action, Free Press, Glencoe.
- Pieris, R., 1969. Studies in the Sociology of Development, Rotterdam University Press, Rotterdam.
- Ploeg, A., 1971. 'Some indigenous views on the social and economic development of Papua New Guinea', Journal of the Papua New Guinea Society, vol.5, no.1, pp.47-61.
- 1972. 'Evaluation of living and working in towns by some rural businessmen', in Change and Development in Rural Melanesia (M.W. Ward, ed.), Australian National University and University of Papua New Guinea, Canberra.
- 1971. 'Feasting for Gain and Help', mimeographed, Port Moresby.
- Reader, D.H., 1964. 'Models in social change with special reference to Southern Africa', African Studies, vol.23.
- Reay, M., 1969. 'But whose estates: the Wahgi small holders', New Guinea, vol.4, no.3, pp.64-8.
- Rew, W.A., 1969. 'Wantok: inter-ethnic encounters and oppositions in Port Moresby: the role of urban industrial imperatives', seminar paper, Research School of Pacific Studies, Australian National University, May.
- 1971. '"Passenger ship or cargo vessel?" The adaptation of indigenous industrial workers to the social life of Port Moresby, a town in Papua New Guinea', Australian National University, Canberra.

- Salisbury, F.R., 1962. From Stone to Steel, Australian National University, Canberra.
- 1970. Vunamani: Economic Transformation in Traditional Society, University of California Press, Berkeley.
- 1971. Report to the Administrator of Papua New Guinea on the Problems of the Gazelle Peninsula, Government Printer, Port Moresby, August.
- Sankoff, G., 'Wok bisnis and Namasu: a perspective from the village', in 'Namasu: New Guinea's largest indigenous-owned company', New Guinea Research Bulletin, no.28, New Guinea Research Unit, Port Moresby and Canberra.
- Schädler, K., 1970. 'Crafts and small scale industries in Tanzania', in Studies in Production and Trade in East Africa (P. Zajadacz, ed.), Weltforum Verlag, Munich.
- Schatz, S.P., 1968. 'Government lending to African businessmen: inept incentives', The Journal of Modern African Studies, vol.6, no.4, pp.519-30.
- Shand, R., 1969. 'In defence of nucleus estates', New Guinea, vol.4, no.2, pp.60-3.
- Shand, R. and Treadgold, M.L., 1971. The Economy of Papua New Guinea: Projections and Policy Issues, Australian National University, Canberra.
- Smelser, N.J., 1967. 'Toward a theory of modernisation', in Tribal and Peasant Economies (G. Dalton, ed.), American Museum of Natural History, New York.
- Srinivas, M.N. and Bêteille, A., 1964. 'Networks in Indian social structure', Man, vol.64, no.212, pp.165-71.
- Stuart, I., 1970. Port Moresby Yesterday and Today, Pacific Publishers, Sydney.
- Surmon, A.V., 1971. 'The residential pattern of a colonial town - Port Moresby', M.A. thesis, University of Papua New Guinea.
- Swartz, M.J. (ed.), 1969. Local Level Politics: Social and Cultural Perspectives, Aldine Press, Chicago.
- Tarua, I.F., 1969. 'Papua and New Guinea Welders' Club and Allied Enterprises Pty. Ltd.', Journal of the Papua New Guinea Society, vol.3, no.2, pp.49-58.
- Thomason, K.G., 1969. 'Aspects of indigenous investment with management participation in private companies', Journal of the Papua New Guinea Society, vol.3, no.2, pp.88-94.
- Tomasetti, W.E., 1970. 'Australia and the United Nations: New Guinea trusteeship issues 1946-66', New Guinea Research Bulletin, no.36, New Guinea Research Unit, Port Moresby and Canberra.
- To Robert, H., 1967. 'Credit and indigenous businessmen', paper presented at the First Waigani Seminar, Port Moresby.
- Turner, V., 1957. Schism and Continuity in an African Society, Manchester University Press, Manchester.
- United Nations, ECAFE, 1971. Small Industry Bulletin for Asia and the Far East, no.8, New York.
- Vente, R.E., 1970. Planning Processes: the East African Case, Weltforum Verlag, Munich.
- Ward, R.G., 1971. 'Internal migration and urbanisation in Papua New Guinea', in 'Population growth and socio-economic change', New Guinea Research Bulletin, no.42, New Guinea Research Unit, Port Moresby and Canberra.
- Wilson, R.K., 1970. 'Industrialisation prospects in Papua New Guinea', paper to the ANZAAS Conference, Port Moresby.

Wilson, R.K., 1968. 'Priorities in development', New Guinea, vol.2, no.4, pp.40-7.

- 1971. 'Rural entrepreneurs, a review of village industries: the urban-rural choice in entrepreneurial development', in Change and Development in Rural Melanesia (M.W. Ward, ed.), Australian National University and University of Papua New Guinea, Canberra.

Wolfers, E.P., 1967-71. 'Newsletter to the Institute of Current World Affairs', Port Moresby.

Index

- AMK Builders, 187-90; see also Vavine
 ANGAU, 2, 34-5
 Administration, colonial, 7, 34, 35
 Administrator's Executive Council, 7, 26
 Agriculture, development of, 21
 Allied Enterprises, 50, 55, 114-22;
see also furniture manufacture
 Australia, 2; aid from, 35; colonial
 rule of, 2, 3, 36
 Bombon Pty Ltd; see Strongbuilt Pty
 Ltd
 Buang Transport, 146, 148 last line,
 148n
 Building contractors; see contractors
 Bureaucracy, 73-4, 133, 209; see also
 Business Promotions Centre, Small
 Industries Centre
 Burns Philp, 98-104
 Business, in Port Moresby, 45-8, 53,
 55; finance for, 57-9, 79, 80, 85,
 105, 111; foreign participation in,
 45, 92; land for, 16-7, 21-4,
 59-61; legal, frameworks of, 53-7;
 local participation in, 19-20, 24-7,
 45, 46, 67, 77; premises, 59-60, 137
 Business Advisory Officer, 9, 24, 52,
 92, 147-8
 Business Development, Department of,
 8, 10, 23, 45, 46, 53, 102, 133,
 154-7, 171-2; and other departments,
 151; budget of, 9; divisions of, 10;
 functions of, 8, 9, 10, 12, 24, 46,
 51; staff, 10; training by, 24; see
also Business Advisory Officer,
 Business Promotions Centre, Small
 Industries Centre
 Business Licences, 1971, 26
 Business policy, 6-7, 27-8, 45-6;
 administration, 7-15; finance,
 15-6, 19-21; land, 16-7, 21-4;
 preferences, 18-9, 24-7; training,
 17-8, 24
 Business Promotions Centre, 10, 27, 46,
 52, 133, 153-7; and contractors,
 176-202; clients of, 144-8, 155-6,
 176-87; project officers, 53;
 projects of, 149-53; organisation of,
 134-7; services of, 59, 93, 102, 137,
 139; tenants of, 137-44, 156
 Business ventures, 46-8, 148, 151-2;
 cleaning service, 52, 124-5; see
also Moresby Cleaning Service;
 contracting, 110-11, 151; see also
 Hammond Motu; Hula Builders;
 driving school, 110, 150; footwear
 manufacture, 167-75; see also
 Wokabout Footwear; fishing, 79-80;
 furniture production, 24, 63, 116-18;
see also Strongbuilt; hairdressing,
 110, 146; joinery shop, 51, 53, 54,
 161; see also F & M Joinery; milk
 delivery services, 51-2, 122; see
 Korobosea Milk; Sunset Milk; motor
 repair shop, 48, 50, 54, 137-44;
see also Hamatopa, Motu Motors;
 paper manufacture, 48, 49, 63, 126-9;
see also Ngaio Industries; shoe shop,
 51, 54, 151; tradestore, 144-5, 150;
 transport, 54-5, 60, 97, 97-104, 105,
 108-9; see also Buang Transport,
 Mirikuro Transport
 Businessmen, foreign, 5, 50
 Businessmen, Papua New Guinea, 18,
 69-73; activities of, see business
 ventures; and community, 92-5, 104,
 110, 138, 142, 144, 186; and
 government, 52-3, 153-7, 209, 212;
 and wantok, 205, 209 - 212, 216;
 aspirations of, 105, 109, 140, 186;
 assistance to, 23; attitudes of,
 64-5; characteristics of, 48-50;
 customers of, 59, 143; diaries of,
 236-73; expectations from, 65, 66;
 in Port Moresby, 45-6, 48; pioneer,
see pioneer businessmen; preferences
 for, 15, 17, 18, 19, 21, 77; problems
 of, 18, 82, 83, 84, 92, 93, 94, 94n,
 95-6, 99-103, 108, 147; social net-
 works of, 207-14; sponsorship of,
 50, 51; see also patrons, young
 businessmen
 Cargo cult, 5
 Case studies, 47
 Cash cropping, 11
 Cash economy, 5, 27, 28
 Change, economic, 14
 Chief Minister, Office of, 7
 Chinese, businessmen, 5, 16; in New
 Guinea, 36-7; in Port Moresby, 43,
 43n

- Church, 58, 94, 188
 Citizenship, 36, 36n; Australian, 36
 Cleaning service, see business ventures
 Commonwealth Department of Works, 188-90
 Competition, 92, 99-104, 138
 Contracting, 60
 Contractors, and Business Promotions
 Centre, 176-87, 198; and clients, 187-93; and Development Bank, 198-9, 200; building, 53, 176-87, 193; see also AMK Builders, Hula Builders, Tabora; carpenter, 194; managers and workers, 193-4; roles and regulations, 197-202; small, 196-7; see also Vada, Vavine
 Co-operative movement, 8, 10, 11, 46
 Department of Business Development, see Business Development
 Deutsch New - Guinea Kompagnie, 1-2
 Development, economic, 5-6, 14
 Development Bank, Papua New Guinea, 8, 15, 46; and business, 51, 52, 53, 54, 55, 56, 57, 58, 105, 117-8, 123, 124, 125, 127; and Business Development, 52, 172; and clients, 158; and contractors, 191, 197-8, 199; creation of, 10; functions of, 12, 24, 52, 158-9; organisation, 10, 158-61, 172-3; policies of, 11, 16; project officers, 159, 174; projects, 158-72, 179-84; projects department, 52, 53, 158-61
 Development Programme, 11, 12-13
 Discrimination, 34, 36
 Discriminatory Practices Ordinance, 37
 Disputes, business, 54, 57, 58, 93, 108-9
 Education, 39
 Exchanges, ceremonial, 95, 104-5
 Expatriate, in Port Moresby, 38, 39, 40, 41, 43, 44; sponsor, 49, 50-51, 58, 115, 117
 Exports, 28
 External Territories, Department of, 25-6
 F and M Joinery, 161-3, 177; see also Business ventures
 Fieldwork, 46-9
 Finance, 15-16; sources of, 15-16; problem of, 15-16; see also Business, Business policy
 Fishing, 80
 Francis, 140-1
 Furniture, see Business ventures; also Strongbuilt
 Garage services, see Business Ventures; also Hamatopa, Motu Motors
 Gau, 145, 226
 German Protectorate, 1, 4
 Gotao, 96, 110, 111, 227-9
 Government, colonial, 2, 3; policies 6-29
 H.L. Hammond Pty Ltd, see Hammond Motu Pty Ltd
 Hairdressing, see Business ventures
 Hamatopa, 54, 137-8, 139
 Hammond Motu Pty Ltd, 56, 164-7, 174, 214, 226
 Hanuabada, 29
 Highlands Highway, 28
 House of Assembly, 3, 15, 26
 Housing, 23-4, 23n, 37-8
 Housing Commission, 23, 23n, 38
 Hula Builders, 194
 Investment, foreign, 26, 28
 Japan, 2
 John Moses, 84, 86
 Johnston, 126-8
 Joinery, see Business ventures, also F & M Joinery
 Koki, 29, 40
 Konedobu, 29
 Korobosea Milk, 122-3; see Miro
 Lahui, 124-5
 Land, alienation of, 4; leases, 16, 17, 21; for business, 59-60; see also Business policy
 Land Board, 16, 23
 Lari, 126-9, 230
 Local Purchase Order, 179
 Localisation, 43, 44
 Lolo, 141
 Managers, Papua New Guinea, 62-4, 193-6, 200-2
 Manufacturing, 28
 Migrants, and town dwellers, 41; as businessmen, 146-8, 207; as workers, 86, 88; characteristics of, 39, 40; housing of, 29, 32, 37, 38; life style of, 66, 69; settlements, 32, 38
 Migration, 32, 37
 Milk delivery, see Business ventures
 Mirikuro Transport, 54, 78-95; see also Moses, Walo
 Miro, 122, 124
 Missionaries, 3, 32

- Missions, 3, 32; London Missionary Society, 3, 32, 49
 Moresby Cleaning Service, 124-6
 Moresby Shoe Repairs, 163-4
 Moresby Truckers' Association, 100-4
 Moses, 78, 79, 80, 81, 82, 83, 93, 94
 Motu Motors, 54, 138, 139
 Murray, J.K., 35
- n Ach, 6, 15
 Nadkarni, 15, 24, 150
 National Coalition Government, 3, 43
 Nationalism, 5
 Native Loans Board, 16, 58, 80n
 Ngaio Industries, 56-7, 64, 126-9, 230; see also Lari
- Ori, 96, 97, 104
- Painting contractors, 47, 51; see also Hammond Motu Pty Ltd; Business ventures
 Paper manufacturing, see Business ventures; also Ngaio Industries
 Papua New Guinea, 3; colonisation of, 2-5, 34; economic growth of, 36
 Papua New Guinean, economic participation of, 28; see Businessmen, Papua New Guinean
 Patrons, 131, 170; see also Thomas; Johnston
 Peter, 96-8, 104, 105
 Pioneer businessmen, 77; and community, 92-5, 104, 109, 112; aspirations of, 105, 109; businesses of, 78-82, 97-9, 105-7; characteristics of, 111-3; problems of, 82, 83, 84, 92, 93, 94, 94n, 95, 99-104, 104, 109, 111, 112, 114; social networks of, 207, 231-2; see also Gotao, Moses, Ori, Peter; Tau; Walo; Yamo
 Planning, government, 11, 14
 Plantations, 3, 4-5, 11
 Porebada, 78, 80, 82, 92, 93
 Port Moresby, description of, 29, 32, 45; economic sector in, 39, 40; history of, 34-8; inhabitants of, 41; inter-ethnic relations in, 43, 44; law and order in, 44n; life in, 41, 43, 44; population of, 39, 40; workforce in, 39, 40
 Preferences, see Business policy
 Property, settlements of, 83-4
 Public service, 36, 39, 79n; salary structure, 40
 Public Works, Department of, 27
- Sabama, 24
 Saroa, 139-40
 Service stations, 21, 23
 Settlers, 4
 Shoe shop, see Business ventures
 Small Industries Centre, 10, 152-3
 Small scale industries, 7, 152-3, 157
 Social networks, analysis of, 206-7; of migrant businessmen, 216-18; of pioneer businessmen, 207-14
 Sorcery, 66, 84, 104, 112
 Sponsors, see Patrons
 Steamships Trading Co., 98, 99-104
 Steel fabricating, 50, 63, 64; see also Strongbuilt
 Strongbuilt, 50, 55, 63, 170-2
 Sunset Milk Service, 122, 124; see also Business ventures
 Supply and Tenders Board, 25, 26, 27
- Tapora, 177-86
 Tau, 96, 97, 99, 104, 105
 Tenders, 25, 26, 92, 188, 191
 Territory Joinery, see F & M Joinery
 Thomas, 115, 117
 Toaripi, 42
 Tom, 122-3, 124
 Trade, 4, 5, 37
 Trade and Industry, Department of, 8, 25
 Tradestore, 24, 32, 37, 59, 107, 108
 Transport, see Business ventures
 Training, for entrepreneurs, 17-18, 29; see also Business policy
- UNDP, missions, 8, 13, 14
- Vada, 193, 226
 Vavine, 188-90
 Village, life in, 5; see also Hanuabada, Porebada
- Walo, 78, 79, 80, 82, 84, 85, 91, 92, 226-7
 Wantok, 38, 42, 61, 120, 140, 142, 194, 200
 Willie, 114-22, 230-1
 Wokabout Footwear, 56, 167-70, 173, 174
 Workers, Papua New Guinean, 82, 85, 86, 91, 118-20, 184-6, 193-5
 World Bank, 15, 17
 World War II, 3, 34
- Yamo, 95, 105, 107-9, 229-30
 Young businessmen, and community, 131-2; business activities of, 114; characteristics of, 114, 129-31; social networks of, 207-8, 231-2; see also Lari, Lahui, Miro, Tom, Willie

New Guinea Research Bulletins

- Bulletin No. 1 The Erap Mechanical Farming Project by R.G. Crocombe and G.R. Hogbin, April 1963
- Bulletin No. 2 Land, Work and Productivity at Inonda by R.G. Crocombe and G.R. Hogbin, August 1963
- Bulletin No. 3 Social Accounts of the Monetary Sector of the Territory of Papua and New Guinea, 1956/57 to 1960/61 by R.C. White, January 1964
- Bulletin No. 4 Communal Cash Cropping among the Orokaiva by R.G. Crocombe, May 1964
- Bulletin No. 5 A Survey of Indigenous Rubber Producers in the Kerema Bay Area by G.R. Hogbin, October 1964
- Bulletin No. 6 The European Land Settlement Scheme at Popondetta by D.R. Howlett, April 1965
- Bulletin No. 7 The M'buke Co-operative Plantation by R.G. Crocombe, August 1965
- Bulletin No. 8 Cattle, Coffee and Land among the Wain by Graham Jackson, December 1965
- Bulletin No. 9 An Integrated Approach to Nutrition and Society: the case of the Chimbu, ed. E. Hipsley, January 1966
- Bulletin No.10 The Silanga Resettlement Project by Olga van Rijswijk, February 1966
- Bulletin No.11 Land Tenure and Land Use among the Mount Lamington Orokaiva by Max Rimoldi, April 1966
- Bulletin No.12 Education Through the Eyes of an Indigenous Urban Elite by Karol van der Veur and Penelope Richardson, August 1966
- Bulletin No.13 Orokaiva Papers: Miscellaneous Papers on the Orokaiva of North East Papua, November 1966
- Bulletin No.14 Rabia Camp: a Port Moresby Migrant Settlement by Nancy E. Hitchcock and N.D. Oram, January 1967
- Bulletin No.15 Bulolo: a History of the Development of the Bulolo Region, New Guinea by Allan Healy, February 1967
- Bulletin No.16 Papuan Entrepreneurs: Papers by R.G. Crocombe, W.J. Ooster-Meyer and Joanne Gray, J.V. Langmore, April 1967
- Bulletin No.17 Land Tenure Conversion in the Northern District of Papua by David Morawetz, May 1967
- Bulletin No.18 Social and Economic Relationships in a Port Moresby Canoe Settlement by N.D. Oram, July 1967
- Bulletin No.19 A Benefit Cost Analysis of Resettlement in the Gazelle Peninsula by S. Singh, September 1967
- Bulletin No.20 New Guinea People in Business and Industry: Papers from the First Waigani Seminar, December 1967

- Bulletin No.21 Teachers in the Urban Community by Penelope Richardson and Karol van der Veur, January 1968
- Bulletin No.22 Papers on the Papua-New Guinea House of Assembly by Norman Meller, January 1968
- Bulletin No.23 Mixed-race Society in Port Moresby by B.G. Burton-Bradley, March 1968
- Bulletin No.24 The Organisation of Production and Distribution among the Orokaiva by E.W. Waddell and P.A. Krinks, September 1968
- Bulletin No.25 A Survey of Village Industries in Papua-New Guinea by R. Kent Wilson, November 1968
- Bulletin No.26 The Contribution of Voluntary Aid Organisations to the Development of Papua-New Guinea, 1966-67, by Micheline Dewdney, January 1969
- Bulletin No.27 New Guinean Entrepreneurs by B.R. Finney, February 1969
- Bulletin No.28 Namasu: New Guinea's Largest Indigenous-owned Company by I.J. Fairbairn, March 1969
- Bulletin No.29 Hohola: the Significance of Social Networks in Urban Adaptation of Women by Lynn Oeser, June 1969
- Bulletin No.30 Inter-tribal Relations of the Maenge People of New Britain by M. Panoff, July 1969
- Bulletin No.31 Inter-ethnic Marriage in New Guinea by A.W. Lind, August 1969
- Bulletin No.32 New Guinea Social Science Field Research and Publications, 1962-67 by Susan C. Reeves and May Dudley, October 1969
- Bulletin No.33 The Rigo Road: a Study of the Economic Effects of New Road Construction by Marion W. Ward, January 1970
- Bulletin No.34 People and Planning in Papua and New Guinea: Papers by D.J. van de Kaa, J.M. Stanhope, T.S. Epstein, N.H. Fry, and C.L. Beltz, April 1970
- Bulletin No.35 The Indigenous Role in Business Enterprise: Three Papers from the Third Waigani Seminar, 1969 by A.J. O'Connor, T.S. Epstein and G. Nash, May 1970
- Bulletin No.36 Australia and the United Nations: New Guinea Trusteeship Issues from 1946 to 1966 by W.E. Thomasetti, July 1970
- Bulletin No.37 Port Moresby Urban Development by J.V. Langmore and N.D. Oram, September 1970
- Bulletin No.38 Land Tenure in West Irian: Papers by K.W. Galis, J.V. de Bruyn, J. Pouwer, J.W. Schoorl, and J. Verschueren, December 1970
- Bulletin No.39 The Situm and Gobari Ex-servicemen's Settlements by A. Ploeg, January 1971
- Bulletin No.40 Land Tenure and Economic Development: Problems and Policies in New Guinea and Kenya: Papers by S. Rowton Simpson, R.L. Hide, A.M. Healy, and J.K. Kinyanjui, March 1971
- Bulletin No.41 Would-be Entrepreneurs? A Study of Motivation in New Guinea by Ruth S. Finney, May 1971
- Bulletin No.42 Population Growth and Socio-economic Change: Papers from the Second Demography Seminar, Port Moresby 1970, September 1971

- Bulletin No.43 Langandrowa and M'buke, Corporate Indigenous Plantations by A.M. McGregor, December 1971
- Bulletin No.44 Business and Cargo: Socio-economic Change among the Nasioi of Bougainville by E. Ogan, 1972
- Bulletin No.45 Leadership and Socio-economic Change in Sinasina by Sachiko Hatanaka, 1972
- Bulletin No.46 Melanesians' Choice: Tadhimboko Participation in the Solomon Islands Cash Economy by I.Q. Lasaqa, 1972
- Bulletin No.47 Official and Unofficial Courts: Legal Assumptions and Expectations in a Highlands Community by Marilyn Strathern, 1972
- Bulletin No.48 Freight Forwarding in the Australia-Papua New Guinea Trade by P.J. Rimmer, 1972
- Bulletin No.49 Hoskins Development: the Role of Oil Palm and Timber - Papers by J.P. Longayroux, T. Fleming, A Ploeg, R.T. Shand and W.F. Straatmans, and W. Jonas, 1973
- Bulletin No.50 The Land Titles Commission in Chimbu: an Analysis of Colonial Land Law and Practice, 1933-68, by R. Hide, 1973
- Bulletin No.51 Constitutional Development in Papua New Guinea, 1968-73: the Transfer of Executive Power, by P.J. Bayne and H.K. Colebatch, 1973
- Bulletin No.52 Chimbu Family Relationships in Port Moresby, by J. Whiteman, 1973
- Bulletin No.53 Money, Motivation and Cash Cropping, by T.K. Moulik, 1973
- Bulletin No.54 Transition from Subsistence: Cash Crop Development in Papua New Guinea, by R.T. Shand and W. Straatmans, 1974
- Bulletin No.55 Matriliney and Modernisation: the Nagovisi of South Bougainville, by Jill Nash, 1974
- Bulletin No.56 Foreign Economic Relations of Papua New Guinea, Ross Garnaut (ed.), 1974
- Bulletin No.57 Traditional Marriage and the Impact of Christianity on the Solos of Buka Island, by A.H. Sarei, 1974
- Bulletin No.58 Co-operatives in Papua New Guinea by Sumer Singh, 1974
- Bulletin No.59 Business and Bureaucracy: a study of Papua New Guinean businessmen and the policies of business development in Port Moresby, by C.Leslie Andrews, 1975

The above bulletins are available at \$2.00 each from the A.N.U. Press, The Australian National University, P.O. Box 4, Canberra, A.C.T., 2600, Australia, and the New Guinea Research Unit, The Australian National University, P.O. Box 1238, Boroko, Papua New Guinea.

An annual payment of \$10.00 entitles the subscriber to all bulletins issued in the year.

