

Julius Chan's uniquely long political career played in two parts

by Stephen Howes

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The Development Policy Centre hosted the launch of the memoirs of Sir Julius Chan, March 2016

According to the [PNG MP Database](#), the typical Papua New Guinean Member of Parliament (MP) is in their second term of parliament. Only seven are in their fifth term, and only two are in their sixth. Sir Julius Chan, who died on 30 January, was in a class of his own. No one is serving in their seventh, eighth or ninth term but Chan, when he died last week, was in his tenth. He won seats in eight of the ten post-independence general elections, and also won seats in two pre-independence elections, in 1968 and 1972.

If we take 1973 as the starting point (when PNG became self-governing), Chan served in the PNG parliament for 42 years. To put this remarkable achievement in context, only one MP has served in Australia's parliament for more than 42 years (Billy Hughes), even though Australia became an independent federation as far back as 1901. It helped that Chan started so young, becoming an MP aged 28, and that he lived so long, dying at age 85.

Chan's political career was so long that it can be divided into two long parts. He served until 1997 as the MP for the Namatanai district of New Ireland, effectively representing his home town. (He was born and spent his early years on Tanga Islands, off the coast of the New Ireland.) He was a popular choice and won elections there from 1968 to 1992 (see the [PNG Electoral Database](#)). But he lost the seat in 1997 in a close-run election result, perhaps because of [the Sandline scandal](#): his highly controversial attempt to bring in mercenaries to end the Bougainville conflict.

That brought the first phase of Chan's political career to an end. During that phase, he served as PNG's first Finance Minister and second Prime Minister (1980-82). He also served as Prime Minister a second time (1994-97), as well as, at various times, Deputy Prime Minister, Finance Minister (again), Foreign Minister, Minister for Trade and Industry, Minister for Primary Industry and other cabinet positions.

Having lost in 1997, Chan shifted in 2002 to contest the New Ireland provincial seat

but lost to Ian Ling-Stuckey. However, Chan won in 2007 and then in every election since, up to and including 2022.

As the New Ireland representative in the national parliament, Chan was both beneficiary and victim of the reforms he had put in place when Prime Minister. His 1995 Organic Law on Provincial Governments and Local Level Governments did away with directly elected provincial premiers and put provincial MPs in charge of provincial governments. So Chan, though a national MP, became New Ireland's governor. But the same law also weakened provincial governments. Chan spent the second half of his political career advocating for more provincial autonomy – the sort of autonomy provinces might have had under the original 1977 Organic Law on Provincial Governments.

The real problem with Chan's New Ireland aspirations, though, was that he was at complete loggerheads with the two MPs representing New Ireland's districts: Ian Ling-Stuckey, whose father was a close friend of Chan's and who has represented Kavieng on and off since 1997; and Walter Schnaubelt, Chan's nephew, who has represented Namatanai since 2017. These two and Chan **repeatedly clashed**. While Chan introduced some important provincial initiatives – an age pension and enhanced health care via an Australian NGO – absent a consensus among the province's political elite, the province floundered.

Returning to his career as a national politician, Chan was certainly one of the most influential policy makers of his generation. Space constraints prevent a full account but Chan achieved a lot – in economic, industrial and foreign policy. He was never a passenger. Bill Farmer, former Australian High Commissioner, **when speaking at the 2016 ANU launch of Chan's memoirs**, referred to his “decisiveness, capacity to cut through, plain speaking, [and] readiness to engage frankly”.

One of Chan's most important economic policy initiatives was his introduction just before independence of the hard kina policy, a commitment not to depreciate the currency. It worked for a while but fell victim to poor economic policy and tough times more generally. Ironically, it was Chan who, having fixed the kina in 1975, floated it in 1994. He said in his memoir that he regretted that decision but really he had no choice given the balance of payments crisis the country was facing. Perhaps Chan's greatest achievement was to ensure that – whether the rate was fixed or floating – foreign exchange was freely available for importers who needed to pay their suppliers. **That hasn't been the case since 2014**.

Corruption is a topic rarely mentioned in connection with PNG's founding fathers. One hardly ever hears of the **corruption case prosecuted in Singapore** that found that Grand Chief Michael Somare had received some US\$784,000 in kickbacks for

him and his son.

Chan himself was no stranger to allegations of corruption, including in relation to Sandline. The most infamous instance was the 1994 Cairns Conservatory purchase. As Prime Minister, he was personally involved, approving the acquisition for A\$18.7 million, despite the same building having been purchased just two weeks earlier by the sellers for A\$9.8 million. An [Ombudsman Commission investigation](#) found that Chan had an undeclared conflict of interest. He, and the political party he led, stood to benefit indirectly from the Cairns purchase. This case, largely forgotten now, was extremely high-profile at the time, and continued to [hit the headlines into the early 2000s](#).

Chan also influenced anti-corruption policy, and not in a positive direction. Not long after independence, Prime Minister Somare and his advisers wanted to draw a line between the political and business classes by increasing MPs' salaries and forcing them to divest themselves of their business interests. Pro-business Chan disagreed (so, famously and ironically, did the Australian High Commissioner, who labelled the proposal socialist). This was the first serious policy breach between Chan and Somare, whose coalition had guided PNG up to and then immediately after independence. The disagreement killed the Somare initiative and led, eventually, to the fall of his government in PNG's first successful vote of no confidence, and his replacement by Chan.

What would PNG be like today if there had been a demerger of the political and business classes, and if politics was less about business and more about policy? The two are so intertwined today that it is hard to imagine, and perhaps, even absent Chan's opposition, Somare's reform was doomed to fail. Nevertheless, there is no doubt that corruption has become a huge problem in PNG — the biggest the country is facing according to Chan himself in his memoir. Would it be if this reform had actually gone through?

Sir Julius Chan leaves a mixed legacy, but his extraordinary longevity in politics and parliament as well as his impact across a range of policy domains, before and after independence, guarantee his place in Papua New Guinea's – and New Ireland's – history.

The Development Policy Centre launched Sir Julius Chan's book, [Playing the Game at the ANU in 2016](#). You can read [Sir Julius' remarks at the launch](#) as well as [comments by Australia's former High Commissioner, Bill Farmer](#), and a [review of Chan's book by Bill Standish](#).

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