

**The Closure of
Bougainville Copper Limited's Mine:
Lessons for the Mining Industry**

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Minor Thesis

**“The Closure of Bougainville Copper Limited’s Mine -
Lessons for the Mining Industry”**

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Declaration

The candidate hereby declares that the information reported in this thesis has not been submitted to any other university or institute for the award of a degree.

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MBA Minor Thesis

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"The Forced Closure of Bougainville Copper Ltd's Mine - Lessons for the Mining Industry"

1 Literature Review:

Since the beginning of history individuals or groups have dominated, and/or exploited other groups for financial gain. This domination can take the form of conquest. In more recent times the domination of one group may be covert rather than overt.

Logging, fishing and mining companies enter into partnerships with foreign governments and or local landowners to exploit natural resources. The genuine aim of the parties may be to have a *pareto* optimal or win-win partnership whereby all parties benefit by the project. However as with any marriage of convenience, tensions do arise. How the partners to such a contract handle the dispute, the concessions they are prepared to make, and the benefits they obtain are a very interesting study. Publications with titles such as "Plunder! Campaign Against Foreign Control of Aotearoa by RTZ/CRA" (Moody, 1991) demonstrate that not all arrangements for exploitation of raw materials progressed smoothly to the benefit of all parties.

My review of the literature available on this topic, indicated that there are five main reasons for a dispute arising between two partners in one of these ventures.

The five major issues are:

1. Environmental issues
2. Landowners dispossessed
3. Royalty payments
4. Use of local staff
5. Political & economic independence

Taking each in turn:

Until recently many of the companies which were exploiting natural resources, had little regard for the environment or what they were leaving behind. The recent case lodged by several landowner groups in Papua New Guinea against the giant OK Tedi Mine, partly owned by BHP, for environmental damage, suggests that some companies are continuing to ignore their responsibilities in respect of the environmental issue. Even people with, by our standards, little education, such as Papua New Guinea villagers from Western Province, or the Malaysian villagers who have huge stands of timber on their land, can appreciate the damage which is being done to their land in pursuit of development.

These people can easily appreciate that once the project is ended and the resource has been removed, whether it be a mineral or other natural resource, they will be left with less than they had before; ie. a hole in the ground as opposed to fertile plains or eroded hills rather than dense jungle.

The second issue is the dispossession of the original landowners. This is particularly the case with mines, although it also occurs with logging. The original landowners are often very attached to their land, much more so than Europeans. In the case of many native people, they have a spiritual link to the land which others who are not *au fait* with their customs and beliefs, some of which date back many thousands of years, cannot appreciate. The land disputes seen in Australia, highlighted by the recent Mabo & Others v The State of Queensland (No 2) (1992) 175 CLR 1 case, is an example of this. Papua New Guinea also provides many good examples. (Darin-Drabkin et al, 1977).

The third issue which can be linked to the earlier two, is royalty payments. In some cases if the royalty payment made to the landowners is sufficient, it may be enough for them to overlook the first and second issues. However, if they do not receive what they perceive to be adequate royalties for their loss, then a dispute is sure to arise (Bedford & Manak, 1977).

A fourth issue is the use of local staff and the way they are treated in comparison to staff brought in to manage or supervise the project. In some cases, companies have attempted not to use any indigenous people and rather have imported their entire workforce. In cases where the benefits provided to the expatriate workforce are greater than those received by locals, this can give rise to resentment (Dorney, 1990).

The final issue that can arise is that of political independence. Over the last few hundred years, first the Europeans and then later Americans have arbitrarily placed political borders around the world creating countries or states which often bring together people of completely different ethnic backgrounds. This problem is exacerbated if natural resources are found in the country with the benefits going to a group who may not have had any prior claim to that land. It could be said that the war in the Falklands was due to such causes.

A conflict between partners often means that both parties suffer. If both parties to an agreement, such as a group of landowners and a multi-national mining company can appreciate these problems in advance and work towards resolving them, then both parties can work together for the good of all.

2 Research Methodology:

My association with Bougainville Copper Ltd (BCL) started in 1987 when I was transferred to Papua New Guinea as the resident director of a chartered loss adjusting firm. I was advised that BCL's insurer's had nominated our firm to attend any insured losses that the mine may suffer. I was also advised that BCL's insurance program had a PNK 10 million deductible. For this reason, I thought that the likelihood of my attending a loss would be slight.

I was of course so very wrong and from November 1988, when the first acts of violence against BCL started, until my departure from Papua New Guinea, delayed by the subsequent legal action taken by BCL against their insurers I studied the causes and actions of all parties very closely. The dates of my visits to Bougainville are recorded in Appendix 26.

My association with the island of Bougainville started several years before then with regular trips to the island for varying lengths of time from 1985. From 1987, I travelled to Bougainville at least every eight (8) weeks and during this time I travelled over most of the island by both helicopter and road. I met and became friends with many of the inhabitants both local and expatriate.

During the 15 months in which I carried out my initial research into the causes of the closure of the mine, 12 months of which included trips to Bougainville Island, I did not have the benefit of the education I received as part of my MBA programme. Having said this, the method I adopted in carrying out research of the books and papers written about Bougainville until that time, was not different to that which I was subsequently taught. My method of interviewing however, was somewhat different. I did not have the luxury of conducting a proper survey of either the indigenous people or the expatriates. I seized every opportunity possible to interview anyone I felt might conceivably be in a position to assist me in my investigation, some of whom I had great difficulty in locating while others such as Pius Kerepia, the Commissioner for Corrective Services, were fortunate, albeit chance encounters.

During my enquiries I interviewed literally hundreds of people. Naturally, not all the information I obtained has found its way into my thesis. Those interviews which have been included have been identified, where the interviewee had no objection. I have recorded those instances where I was faced with objections.

I would explain that many of my sources of information requested anonymity for one of two reasons: those that had or continued to work for Bougainville Copper Limited (BCL) or Conzinc Rio Tinto Australia Ltd (CRA), were naturally concerned for their positions within the company. Politicians or government employees and some private citizens were concerned about the ramifications of being named, bearing in mind that my job at the time was to establish whether the loss fell within the scope of an insurance policy; as the amount was substantial and had the potential of being one of the largest single claims in the history of insurance, with the PNG Government being such a large beneficiary, their concern is understandable. As it was, some people such as Professor Griffin of the University of Papua New Guinea, declined to be interviewed on this subject.

When I decided to write the thesis, it was necessary for me to carry out further enquiries and the area in which I was particularly interested was the decision of management during the crisis; ie. looking at the people who were in control of the situation as far as BCL was concerned, and the decisions they took at the time. Again, not everyone I approached agreed to be interviewed, while those that did agree wished to remain nameless.

As with my initial field of research, these later interviews were all conducted in a relaxed atmosphere with the interview taking the form of a discussion on the closure of the mine and an analysis of specific issues such as the political independence movement, the fact that landowners were dispossessed, the payment to the landowners, and the use of local staff.

During the period that elapsed between settlement of the insurance claim and when I began work on this thesis, several books and papers were published. Naturally, all these

records, including the annual returns and press releases issued by BCL, have been analysed by me.

3 Introduction:

In February 1990, an out of Court settlement in Melbourne saw insurers pay AUD102.5 million to Bougainville Copper Ltd (BCL) in compensation for material damage and consequential losses suffered by BCL resulting from a dispute with local landowners culminating in the land owners turning to violence to an extent that BCL were forced to close the mine and abandon the island of Bougainville. The insurance payment represented a small portion of the financial loss suffered by BCL.

The Bougainville Copper Ltd mine produced about 4% of world production of copper and accounted for over 20% of the Gross Domestic Product of Papua New Guinea (PNG). (Doble, 1985). Papua New Guinea is a resource rich country with mines such as Ok Tedi, Porgera, Misima, and the Gulf Province oil deposits being the most well known. The country prospers economically in the short term by such developments and the landowners also benefit by way of royalties and improved services such as education, health care, transportation and communication for their community. Why then, did this conflict arise? Could different management decisions available to BCL have avoided the closure of the mine?

As a developing country, PNG does not have the technology, skill, and/or capital to develop the wealth of resources the country possesses. The multinational mining companies attracted by the potential profits offer assistance. In this case, the company was Conzinc Riotinto Australia Ltd (CRA).

While the management and shareholders of BCL were pleased with the settlement they received, the loss that the Company suffered at that point in time i.e. February, 1990, was estimated in excess of AUD300 million and with little likelihood of it reopening in the foreseeable future, the loss has the potential of over AUD1,000 million dollars.¹ Beside the economic loss suffered by BCL and the damaging effects on the Papua New Guinea economy, well over 100 people have been killed directly in the conflict with many more dying because of the reduction in health services on the island since all expatriates have been evacuated and medical supplies embargoed.

In the belief that a thorough understanding of the history of the formation of Bougainville Copper Ltd and the events leading up to the mine's closure may prevent a similar recurrence in Papua New Guinea this topic has been chosen as the basis of study. It may also be relevant in other parts of the world where conflict may arise between mining, logging or any other companies, which are exploiting the natural resources of the land, and the local landowners.

While the conflict continues between the landowners and the government of Papua New Guinea, this thesis's examination of the facts ceases soon after BCL's management

¹This is based on: a) the estimated ore reserves remaining; b) the average profit generated by the mine for the twelve months prior to the acts of violence; and c) the length of time the mine has been closed and the likelihood it will not reopen this century.

decided to abandon the mine as this is when management decisions ceased and solely political factors remained.

The first aspects to become clear in any study of the reasons for the forced closure of Bougainville Copper Ltd's Panguna mine are that there were many issues involved. Some of these are quite complex.

Secondly, the complaints/claims of the "militants" had been made many times in the past by various groups, although never as forcibly or as violently as those shown since November, 1988. In reality the issues were not always the same as will be seen through the course of the thesis.

A brief history of the area is provided to explain the background of what occurred and this is followed by an examination of the development of BCL and the Provincial Government system on Bougainville. The formation of the landowners groups is studied including the failed attempt by younger, more educated landowners to take control. The study then turns to the events leading up to the closure of the mine. The landowners were not only interested in closing the BCL mine but also seceding from PNG. Several of the problems facing the Government of this politically new country are discussed. This paper looks at the legal question of whether the acts of the landowners constituted an insurrection; an important question for vital insurance coverage, and if so when it started. The final area examined is the change in management style of the new managing director for BCL, which may have been the catalyst for the forced closure and in any event, whether the closure could have been averted.

Many of the source documents have been copied and are attached as appendices as many of the original documents may well have been destroyed in the conflict. Similarly some photographs included are the only ones known to be in existence. They should be retained as a record of this period in the history of Bougainville.

4 Pre Independence History:

The island of Bougainville is situated in the northern group of the Solomon Islands chain which is located 1,000 kilometres east of Port Moresby, the national capital of Papua New Guinea. The island is approximately 200 kilometres long, with an average width of around 50 kilometres. **Appendix 1** contains locality maps showing: 1) the location of Bougainville in relation to the mainland of Papua New Guinea and the neighbouring country of Solomon Islands; and 2) the features of the island itself.

As can be seen from the map, Bougainville Island forms part of the Solomon Islands chain and its people have always retained cultural and social links with the rest of the Solomon Islands, having traditionally regarded themselves as apart from, and superior to, those from the mainland of Papua New Guinea. Their skin is almost coal-black in colour and for over 50 years they have scornfully referred to other Papua New Guineans, who have much lighter skin, as "red skins." (Sinclair, 1985).

The Bougainvillians themselves, like the majority of Melanesian peoples, have many language groups such as Buka, Siwai, etc. In fact there are 19 different language groups

on Bougainville and Buka Island. (Oliver, 1973). A map of showing the location of the various groups can be found at **Appendix 4**, page 1. History provides many examples of tribal warfare including cannibalism between and even within the various language groups. Loyalty was first to their village group, followed by loyalty to their language group. In more recent times this was followed by loyalty to Bougainville and then to varying degrees loyalty to Papua New Guinea. (ibid.).

The history of the early settlement of the Solomon Islands, including Bougainville Island, by the Melanesian people, is not fully known and is still the subject of anthropological and archaeological research.

First European contact came with Louis de Bougainville, (Tilton et al., 1986) who was a commander of two French vessels, "La Bourdeuse" and "L'Etoile," which were sailing along the east coast of the island when it was first sighted on 4th July 1768. Bougainville named the island in honour of his family. From 1792 onwards the island was a frequent calling place for trading vessels, sealers and whalers. Some trading with the people is recorded. (Oliver, 1991).

In the late 19th century, many Bougainvillians were "blackbirded" and taken to cane farms in Queensland, Fiji and Samoa. (Siers, 1989). In 1884, with the expansion of the empires of Imperial Europe, Bougainville and New Guinea were brought into the German Empire. At around this time the nearby Solomon Islands came under the control of the British. (Unknown Author, 1985).

Even though Bougainville was under the control of Germany from 1884, it took quite some time for German administrators, missionaries and traders to arrive and an administrative office was not established on the island until 1905. The first coconut (copra) plantations were established soon after that. After World War I, the former German colony of New Guinea became a League of Nations Mandate under the care of Australia. Australian plantation owners planted extensive coconut (copra) and cocoa plantations during the 1930's and some minor gold discoveries were made on the Crown Prince Mountain Range which forms the backbone of the island. (ibid.). The Australian Administration during this period was confined to the coastal areas. Unlike Papua, the Mandated Territory had more financial resources, however, the Administration did little but serve and protect the plantations.

When it became clear that the island was going to be occupied by the Japanese during World War II, the vast majority of Europeans were evacuated from the island to Port Moresby. There was some resentment by Bougainvillians that no effort was made to evacuate any of them and they were simply left to the Japanese. During 1942, 1943 and 1944, some Bougainvillians fared very badly under the Japanese, particularly those in the central and southern areas of the island. While there were an estimated 45,000 Bougainvillians on the island at the time, the Japanese occupation numbered 65,000 troops, which put great strains on the villagers who were at best, subsistence farmers. (Keita Patrol Report 1961-62 no. 3).

At the end of World War II, the Mandated Territory of New Guinea, including Bougainville Island, became a United Nations Trusteeship Territory, once again under the control of Australia. Apparently there was no improvement in relations between the

native Bougainvillians and the Australian Administration, (Griffin, 1982) and cargo cults became rife in the area. (Ogan, 1974).

Cargo cults are a complex issue and certainly contributed to the expectations of some of the people for compensation and wealth. The later rise of the cargo cult leader Damien Damen is evidence of this.²

During 1962, a United Nations Mission visiting Bougainville Island was requested by a meeting of over 1,000 people, held in the main town of Keita, to take the Trusteeship of the island away from Australia and place it in the hands of the United States of America. (Sinclair 1985). At the meeting, the Bougainvillians claimed that they had been poorly treated and that Australia had neglected them and ignored promises of non-segregation made during World War II. (Griffin, 1982).

For various reasons including something akin to "face" in Japan, Bougainvillians were not prepared to work on the expatriate owned plantations on the island and labourers were therefore recruited from other areas of Papua New Guinea. This included people from the Highlands, Sepik, and Gazelle Peninsula, which caused further social unrest. (Wheeler, 1981).

In 1964 there was a national election at which villagers refused to vote for any of the European candidates in the New Guinea Islands Special Electorate. There was also a great deal of unrest on Buka Island against the imposition of a local government council and a head tax, and violent confrontations occurred. (May, 1982)

Despite some resistance, local government was imposed in 1964 on the remainder of Bougainville, although this was not accompanied by the violence seen on Buka Island. The violent confrontation at Buka is reported in history books as the "Hahalis Rebellion."³

At around this time a report produced by the Australian Bureau of Mineral Resources (1961) was the beginning of CRA's interest in the Panguna area. The ill-treatment perceived to have been received by Bougainvillians since the first European contact, caused the Bougainvillians to distrust the new interest being shown in their island. (Sinclair, 1978).

Legislation in the Territory at the time was the same as that which existed in Australia. The "Land" laws recognised that the land belonged to the people and could only be purchased, or leased, after a detailed preliminary enquiry by the Administration Offices and agreement by landowners. (Sinclair, 1985).

²An examination of the birth, growth and influence is outside the scope of this minor thesis as it is and indeed has been the subject of study in its own right. Interested readers are referred to Ogan (1974), Oliver (1991) and Griffin (1970, 1973).

³ For a more detailed account of the Hahalis Welfare Society including the "rebellion" see Hagai (1966), Kiki (1968), Oliver (1973), and Rimoldi (1971, 1976).

Resources were vested in the Crown. Legislation on mining however, permitted prospecting licences to be granted which allowed the licence holder to prospect on, and thereby have access to, the land; this included camping on the land without any permission being granted by the owners and without the payment of any occupation fee. As is still the case in Australia, the only compensation to be made was in respect of any damage done. (ibid.). This caused further resentment.

CRA's first geologists encountered threats of violence and resistance and this led to court action being taken by CRA resulting in some Bougainvillians being jailed. (Sinclair, 1978). This of course did nothing to placate the fears of the local people.

In an attempt to remedy the position, the mining laws were amended in 1968 to provide payment to landowners of occupation fees and also the payment of royalties. This was a problem in itself however, as the existing laws stated that the ownership of all minerals was vested in the State. This in fact is still the law. Once again, this was a law taken straight from Australia. As a result of this, any royalties to be paid, were to go to the Territory Administration rather than to the landowners. (Sinclair, 1985).

In 1966, the Member for South Bougainville in the House of Assembly, Mr. Paul Lapun, was successful in having the mining policy modified, so that the landowners received 5% of the 1.25% mining royalties. (Griffin, 1985). Paul Lapun however, was unsuccessful in his attempt to have 40% of the royalties allocated to the development of the Bougainville Province. (House of Assembly Debates, 1968). During the period Lapun continually emphasised that the Bougainville people were not opposed to mining as such, but were upset by the lack of consultation and direct benefit being received by them. The people were certainly not pacified by the negligible monetary benefit that they were then going to receive and the only benefit achieved, according to Griffin (1985), was enhancement of Paul Lapun's position.

All this followed on from when, CRA geologist, Ken Phillips with his team, walked into the Panguna Valley, Bougainville Island on 1st April, 1964. Here, he organised the manhandling of light drills which were carried to the future mine site; initial drilling commenced in November, 1964. Heavier drills were airlifted into the area by helicopter in mid-1965. The result of this drilling, tunnelling and metallurgical testing, revealed that there was a very large low grade copper resource. The ultimate finding was that there were approximately 900 million tons of ore which contained less than 0.5% copper, as well as some gold and silver⁴. This exploratory work cost in the region of PNK20 million. (Bougainville Copper Ltd - Annual Report, 1988).

On 2nd June, 1967, Bougainville Copper Ltd was incorporated in the Territory of Papua New Guinea "to mine a large 'Porphyry Copper' type ore body at Panguna." An option of 20% of issued shares in Bougainville Copper (at par), were held by the Territory of Papua New Guinea Administration. The financial arrangements involved the raising of PNK130 million in equity capital and PNK260 million in loan capital. (Bougainville Copper Ltd-Prospectus, 1971). At the time of the closure of the mine share ownership was: CRA 53.6%; Public 27.3%; PNG Government 19.1%. (Quodling, 1991).

⁴ BCL's Panguna Mine was at one time the largest gold mine in Australasia.

In 1969, the company was granted a lease over 10,000 acres of Panguna land. To service the future copper mine, it was necessary to construct a port and town to the north of the already established township of Keita. (Sinclair, 1985). This meant that further land would be required.

The choice of land was part political to show the local people they were not being singled out: a portion of the land chosen for the site of the new port was owned by a European planter, Mr. F.R. McKillop with the rest belonging to traditional landowners known as the Rorovana people. Both parties refused to sell and intense pressure was brought to bear on McKillop and the traditional landowners. (Sinclair, 1985). Officers from the Division of District Administration and senior officers from Port Moresby, spent many weeks with the Rorovanas, but all efforts failed. There were urgent consultations between Canberra and Port Moresby with the then Prime Minister of Australia, Mr. John Gorton, becoming involved. With the efforts of the officials failing, there appeared to be only one way to acquire the land and that was through compulsory acquisition. This avenue of acquisition was reluctantly used by the Australian Government and the Administration as a last resort measure only, as it was rightly expected it would attract a great deal of unfavourable publicity and criticism. (Sinclair, 1978).

After the Hahalis Rebellion, many people expected bloodshed when CRA surveyors began to mark out Rorovana land on the 1st August, 1969. The surveyors were protected by Des Ashton and Brian Holloway, both field officers from the Department of District Administration, and also 100 armed police with three helicopters. Fortunately, there was no bloodshed or arrests on day one. A band of village women did upturn the first survey marker and a small scuffle broke out with police, which was watched by hundreds of local villagers. After this symbolic show of resistance, all the villagers moved off. (ibid.). However, the following day there were more serious incidents and the police were forced to break up riots using batons, shields and finally teargas

While the "Rorovana confrontations" were apparently mild, they did create a great deal of tension in Australia, with the Police and the Department of District Administration receiving some criticism. (Griffin, 1970).

Resumption proceedings were brought to a halt by this open resistance of the Rorovana people, but it was not the end of the problem. Paul Lapun, referred to earlier in this paper, was very vocal at this time in attempting to win support; threatening a challenge in the High Court of Australia. A great deal of support was in fact won in Australia from a section of the academic community, students, and some trade unions. (Sinclair, 1978).

Conroy was given much greater latitude and he finally negotiated an agreement which included a AUD300,000 package to the Rorovana people, with a 40-year lease of 140 acres. (ibid.). It should be noted that this was not a purchase, but a lease. At around the same time, McKillop agreed to sell his plantation for an immediate payment of AUD600,000, plus later payments based on the productivity of the plantation. (ibid.).

With the land acquired, the copper mine became a reality: however, it was realised that public relations were of vital importance and in early 1970, a Bougainville Copper Liaison Office was established with Mr William Brown as the Chief Liaison Officer. (Bougainville Copper Ltd-Annual Report, 1988). This liaison office functioned as a

separate unit from others in the Department of District Administration, and although this too caused some administration friction on the island, (Griffin, 1985) it was appreciated by the local landowners early in their history⁵; in more recent times however, it came to be regarded as part of the "*white mafia*". (Filer, 1991).

This successful defiance of the administration by the rural people of the Rorovana villages encouraged the Bougainville people in their desire to break away from the Papua New Guinea Administration. This was taken up by all the Bougainville leaders at the time, including Paul Lapun, who had, by this time, formed a political society known as "Napidakoe Navitu." The principal aim of the society was to defend the right of the people to their land and the resources on or beneath that land. It was this group which assisted the Rorovana people in negotiating the 40-year lease. (Middlemiss, 1970).

In 1971, Paul Lapun started his final attempt to involve the House of Assembly in the question of secession. He suggested that a referendum be held and he would then be bound by the will of his people. The request was put as a motion to the House and was defeated 57 votes to 14. (House of Assembly Debates, 1971). At around this time he also entered some negotiations with the Prime Minister of the Solomon Islands, with the aim of reunifying the Solomon Islands chain. After the failure of both proposals, he appeared happy for a form of "statehood" for Bougainville rather than secession. (Griffin, 1982).

By this time, Lapun was a member of the Pangu Pati (Party), and realised that self-government in Papua New Guinea was likely to occur in the short term, in line with Gough Whitlam's aims.

With an upcoming election, Lapun required a candidate for a regional seat and he sought someone with the same ideas as his own. He selected Father John Momis, a Catholic priest who was well known throughout Bougainville, having spoken often in favour of indigenous rights, self reliance and of his opposition towards the mining company. (Momis and Ogan, 1972).

It is believed that Fr. Momis was selected by Lapun as he was prepared to attempt to solve Bougainville's problems by means other than secession. (Griffin, 1982). It is interesting that Fr. Momis overall did extremely well in the 1972 elections and one of the only areas where he did not fare well was in the Guava area from which came one of the more recent strong figures, Francis Ona.

The Guava people showed some support for an expatriate Australian, Barry Middlemiss, who appears to have supported secession. (Anis et al., 1976). Middlemiss, who was a supervisor on the McKillop Plantation was a very vocal personality during this period.⁶

⁵ Personal interview of James Naroki, a tertiary educated villager from Guava Village, interviewed 28 July, 1989.

⁶He is mentioned at this time as he provided a great deal of information to the writer during several interviews taken during the research phase of this thesis and which is included later in the paper.

After the 1972 elections, Michael Somare formed a Coalition Government and Paul Lapun became Minister for Mines and Energy, while Momis became first Deputy Speaker and later Deputy Chairman of the Constitutional Planning Committee. The reason for Lapun's change of heart and his acceptance of a united Papua New Guinea, is not overly clear and at that time some people thought that the secessionist movement on Bougainville was over and could be forgotten. (Griffin, 1982).

This was not to be however, for in December 1972, there was a Political Awareness Seminar at which representatives from all over Bougainville and Buka Island were present; here, Fr. Momis reaffirmed that Bougainvillians had "an absolute right to self determination." (Griffin, 1973).

A short time after this, two Bougainvillian civil servants, Messrs. Rovin and Moini, were set upon by angry highland villagers and brutally beaten to death with jagged rocks following a motor vehicle accident at Goroka in the Eastern Highlands Province on the mainland of PNG. One of the Bougainvillians had in fact been responsible for the car accident in which a pedestrian, a 6-year old highland village girl, was killed. This created a great deal of resentment in Bougainville against all other Papua New Guineans, particularly the highlanders. (Standish, 1982).

Certainly the secessionist movement was not at an end. To avert the separatist movement in Bougainville, and for that matter in other areas such as Papua, and to protect Papua New Guinea's most valuable mineral resource, the Provincial Government system in Papua New Guinea was developed. A draft report of Father Momis' Constitutional Planning Committee, was circulated in November, 1973 and this strongly advocated a provincial government system. Bougainville was regarded as a special case and no guarantee was made that other districts would also get provincial government. It is believed that the National Government was not really interested in provincial governments *per se*. The National Government were forced into it by making *ad hoc* decisions as they were being asked to comment on numerous political and administrative organisational issues arising on or out of Bougainville. (Conyers, 1975).

By late 1974, Lapun had lost acceptance by a great number of Bougainvillians and this may have been accelerated by his accepting the first Papua New Guinea knighthood, thus showing him up as part of the "establishment". (Griffin, 1982).

The Bougainville Copper Agreement, at clause 26a, calls for the parties to meet every seven (7) years to consider whether the agreement is continuing to operate equitably to each of the parties. The first such meeting was scheduled for 1974. (Quodling, 1991).

The PNG of 1974 was much different to that when the Agreement was originally drafted. PNG was now a independent State while unpredictably high profits were being earned by the mine. The abnormally high world price for copper was obviously a short term windfall, but nonetheless the wealth of BCL in comparison to PNG was enough to produce a "renegotiate or legislate" ultimatum from the national government.(ibid.)

Royalties from the Copper Mine were also the greatest cause of conflict between the National and Provincial Governments. In 1974, the Provincial Government threatened to close Bougainville mine. (Griffin, 1982). This forced the National Government to

carefully address the royalty problem and an interim arrangement for the 1974/75 financial year was made for the royalties. Bougainville was given AUD2.3 million in lieu of royalties to fund a special works programme, after approval by Cabinet. (ibid.).

In addition, the district received the sum of AUD199,000 to be invested in a "non renewable resources" fund in compensation for the environmental damage caused by the mine. This interim agreement was accepted by the Bougainvillians on the grounds that a long term arrangement was not possible until such time as the National Government had renegotiated the Bougainville Copper Agreement. Having said this, the Bougainvillians made it quite clear that they did expect the payment of royalties on a regular basis. (ibid.).

The Mining (Bougainville Copper Agreement) (Amendment) Act 1974 redefined the position of BCL in independent PNG. The payments mentioned above were to be funded by changes to taxation. In fact the major changes to the agreement revolved around changes to the method of taxation. (Quodling, 1991).⁷

The PNG Government were ably assisted in their negotiations by a panel of advisers selected from a cross-section of professionals and academics with experience in developing countries and in particular with mining agreements. The senior consultant was Mr Michael Faber. He rightfully predicted that the taxation policy developed "may well set a precedent for other mining agreements between Government and Multinational enterprises" (ibid.).

Faber sets out in *Bougainville Re-negotiated* the non-taxation amendments:

- ▶ "For the Government of Papua New Guinea, and more especially the people of Bougainville. the provisions in the new agreement covering social and environmental matters and legal form will be as important as those relating to tax
- ▶ "In matters like training, localisation of staff, local purchasing and the encouragement of indigenous business it is recognised that the record of the company has been good, and what was being asked for amounted to more of the same and a requirement that local Bougainville interests should formally be drawn into consultation. This has been agreed to henceforward.
- ▶ "The issues relating to social and environmental disruption and rehabilitation are rather more contentious, but the company appears to have had no major difficulty in agreeing to the substance of the Governments proposal."

(1974, p449)

As the Government was reluctant to make a long term decision that could set an unfavourable precedent for future resource projects, they did not address the royalty question after they had renegotiated the Bougainville Copper Agreement in 1974. The Bougainvillian landowners pressed for a decision to be made and not receiving any favourable reply, they threatened to divert the Jaba River along which the mine's tailings

⁷ For a closer look at the changes to taxation that occurred as a result of the amendments to the agreement, I would refer you to Quodling, 1991 page 24.

were flowing, thereby closing the mine, unless they received the royalties on an unconditional basis and without further delay. The threat was taken seriously by the National Government and after speedy negotiations their demands were met.(Griffin, 1982).

The success of this renegotiation, rightly or wrongly, was not attributed to Lapun. (ibid.).

The first provincial government elections were delayed until May, 1975, and the Provincial Government became a reality after the Provincial Government (Preparatory Arrangements) Act was passed through the House of Assembly in July, 1974. At this stage it was known as the Bougainville Provincial Government. The National Government gave permission for two staff to be employed: a planner and an executive officer, which positions fell to well known Bougainvillians Leo Hannett and Moses Havini. (ibid.)

The philosophy of Provincial Government had been established earlier by Alexis Sarei in his role as District Commissioner. He established what he called a "District Government" and the terms "Provincial Assembly" and "Provincial Government" were in everyday use. (Quodling, 1991).

Notwithstanding this, there was still a strong secessionist movement and a feeling of independence, with talk of an Independent State of North Solomons. This in fact led to the change of name for the Province from Bougainville to North Solomon's Province and the North Solomon's provincial flag was raised on the 9th September, 1975, a full week earlier than independence was achieved for Papua New Guinea. (Griffin, 1982).

As can be seen from the foregoing, the history of Bougainville and its secessionist movement, is quite complicated and in fact involves many other personalities and groups which the writer has not attempted to cover. Such groups include the Catholic Church, from which came personalities such as Paul Lapun and Father Momis; to a lesser extent, other church groups; and as mentioned earlier, the Cargo Cult movement.

The major problems that were carried forward after Independence, included the question of payment of royalties. The actual landowners and Bougainvillians in general, still perceived that they were not receiving fair compensation for what essentially was their asset. The actual distribution of the payments was also a serious problem. Payments were made to the villagers in the mining lease areas (see **Appendix 4**, page 2). Villagers who lived outside these areas perhaps right on the edges of the leases and who were disrupted by noise etc received nothing.

Yet another problem was the arrival of further non-Bougainvillians to work at the copper mine, increased the earlier problems caused by non-Bougainvillians migrating to the island to work on plantations.

The immigrants who were workers, were of some concern to the Bougainvillians on the grounds of tribal rivalry. Of even greater concern were those immigrants whose expectations in coming to the island to work were not realised. These people tended to gather into squatter settlements. These settlements are a problem throughout Papua New

Guinea, particularly as residents from them often resort to crime as their only means of livelihood.

5 Independence to 1987

After independence, the Provincial Premier was Alexis Sarei (1976 - 1980). It appears that he, like Lapun, was prepared to accept a National Parliament. In 1980 however, Leo Hannett became Premier. In 1973, Hannett had set up the Bougainville Special Political Committee (BSPC), originally to negotiate the future status of the Province with Papua New Guinea and the subsequent autonomist movement which unilaterally declared independence in 1975. Hannett won his Premiership on a platform of looking after the North Solomon's people and by being more conciliatory towards the cargo cultists. Hannett was not affiliated with any political party. (Griffin, 1982).

The elections held in 1977 and 1982, saw the political end of Lapun in the National Government and all four members of Parliament from the North Solomon's Province were committed to the one party, the radical Melanesian Alliance Party. This party was led by Fr. John Momis. Hannett was then succeeded as Premier by Joseph Kabui. In my opinion, he and his Primary Industries Minister, Mr. Michael Laimo, appeared to be against the National Government, to say the least.

By 1981 a second 7 year review of the Bougainville Copper Agreement was due. In the lead-up to this review, BCL prepared an agenda. Quodling lists the main topics as:

- ▶ "alleged inequities in the implementation of clause 7 (taxation); in particular profit -averaging for Additional Profits Tax (APT) calculation, indexation for inflation, and the escalation in provincial taxation initiatives;
- ▶ "disquiet over the standard of services provided by government under clause 12 (education/police/medical facilities), in particular the growing law and order problem and the expansion of squatter settlements;
- ▶ "the desirability of exploration in general as a basis for planning the mineral development of the province in the longer term; in particular the potential for NSPG involvement in the exploration or development of the Mainoki-Karato area."

(1991, p 26)

Quodling goes on to outline the government list of counter-claims:

- ▶ "increased standardisation in areas such as import levies and taxation, in particular replacement of the APT formula in the Bougainville Copper Agreement with what had subsequently been adopted as general legislation under section 163z (division 10) of the Income Tax Act;
- ▶ "studies on smelting and hydro power options;

- ▶ "more formalised government controls in areas of marketing, consulting groups and the supply of information."

(1991, p26)

The provisional government did not participate at the meetings a position that BCL felt was inappropriate in view of the NSPG position on the distribution of royalties. This issue and those mentioned above could not be resolved and the 1981 round of discussions went no-where. (ibid).

Party politics played a more active role in Provincial Government elections in 1987 and the Melanesian Alliance Party chose as their candidate Mr Anthony Anugu, a previous member for South Bougainville. Joseph Kabui stood as an independent. However, most of the people realised that he was a strong follower of the Melanesian Alliance Party. Kabui was elected and then rejoined the party. The significance of this change in the political leaders should not be overlooked.⁸

5.1 The Bougainville Initiative

With the 1987 Central Government elections, Fr. Momis and his Melanesian Alliance Party were concerned that they were losing support on Bougainville. Prior to the election he set out what he called the "Bougainville Initiative" which called for 3% of Bougainville Copper Ltd.'s earnings, or 5% of the company's profit, be paid to Provincial Government. This would increase the royalties received by the Provincial Government from about 3.5 million to 12 million kina. (Hriehwazi, 1987). In launching the initiative his rhetoric was certainly anti BCL and raised the expectations of the Bougainville people. He also scorned companies such as Bougainville Development Corporation. Momis declared that such companies were doing nothing for the ordinary citizen by rather were only assisting BCL and certain wealthy businessmen.

The initiative, while being readily accepted by the Bougainville people and of course welcomed by the Provincial Government, was rejected by the then Papua New Guinea Prime Minister, Pius Winti. (*The Times*, 1987). It also brought criticism from other politicians and from the managing director of Bougainville Development Corporation, Paul Nerau, and others. Press articles covering the Bougainville Initiative can be found in **Appendix 2** attached.

Even with his "Bougainville Initiative," Fr. Momis' Melanesian Alliance Party lost one of the four National Government seats in the Province.

5.2 Landowners' Concerns

By 1987 the Bougainvillians realised that the mine, which by this time had been operating for 15 years, did have a limited life and that one day it would be closed. Many Bougainvillians, particularly the villagers whose lives had been disrupted by the mine,

⁸ Personal interview 30 June, 1989 of B.J.A. (Barry) Middlemiss, a long term resident on Bougainville and at that time a part time newspaper reporter for the *Post Courier*.

felt that they were being inadequately compensated and that such compensation as they were receiving would one day disappear completely with the closure of the mine. The BCL Agreement, unlike the OK Tedi Mine Agreement, does not address what happens to the company's assets at the close of the mine. The "Bougainville Initiative" would certainly have raised their expectations and reminded them of the problems. Besides this, the problems of squatter villages etc. were still present. Other perceived grievances included staff morale at Bougainville Copper Ltd, Bougainville employees, and the restructuring of Bougainville Copper Ltd.⁹

Some landowners interviewed,¹⁰ expressed concern at treatment of staff by Bougainville Copper Ltd. As examples they pointed out the fact that Francis Ona, later the rebel leader, was a fully qualified surveyor who, on becoming frustrated with his job, ended up driving a large dump truck; another employee with a Masters Degree from Monash University, also felt frustrated and left the company to work for the Provincial Government, where he claimed he had a much more satisfying job¹¹.

In fairness to BCL, their industrial relations record was quite good. (Brash et al., 1986). Strikes had been very uncommon with the last taking place in November 1984 and lasting sixteen days. The strike was over the payment of CPI wage increases and resulted in the loss of 36,260 man days, with some workers being imprisoned for riotous behaviour. However, the union took Bougainville Copper Ltd. to court and won their case. Although Bougainville Copper were ordered to pay back-pay for one year, a negotiated settlement was agreed with the union. (Bougainville Copper Ltd - Annual Report, 1985).

Villagers who were not employed by the mine felt that Bougainville Copper Ltd. had slowed down in their public relations efforts and that BCL representatives' visits to the villagers had petered out. There was also a restructuring at BCL where a flatter management structure was adopted. According to the villagers, this tended to delay the decision making process on simple day to day issues and this made the villagers feel less important.¹²

Comment is not offered at this time on whether these allegations are justified; only that they appeared to be of very real concern to the villagers. They will be discussed later in this paper.

5.3 Distribution of Wealth Generated by BCL

To show how the direct payments, i.e. the wealth generated by BCL, was distributed the following is quoted directly from Bougainville Copper Ltd.'s 1988 Annual Report:

⁹ Personal interview 28 July, 1989 of James Narokai, a tertiary educated Bougainvillian, an ex-employee of BCL, a confirmed member of the Bougainville Revolutionary Army, and reported adviser to Francis Ona.

¹⁰ James Narokai (see footnote 5), and Moses Kevepa interviewed 29 July, 1989, et al.

¹¹ Name withheld at interviewee's request - interview 27 May 1989.

¹² James Narokai (see footnote 5), and Moses Kevepa interviewed 29 July, 1989, et al.

"Since 1972 the distribution of direct payments was 1% to landowners (including compensation), 5% to the Province, 58% to the National Government, and 36% to non-government shareholders."

In the same publication, the company answers the following question: "Do the landowners get a fair share of the benefits?"

"A. The Company has paid PNK19 million by way of compensation for losses and disruptions suffered by landowners since 1972. This amount of restitution is well in excess of amounts required by legislation, which should not be regarded as a benefit. The only direct benefit from the Company is the landowners' PNK3 million of royalties. Other benefits flow indirectly from the spin-off effects of the Company's operations, such as works programmes, employment and business opportunities; and indirect payments and services provided from the Provincial and National Governments. Whether the Landowners' share of benefits is adequate is a matter of current public debate."

The 1988 Annual Return of Bougainville Copper addressed a number of questions in respect of the Company's impact on the economy of Papua New Guinea, and a copy of an extract of this Annual Report is enclosed as **Appendix 3**. This section is found on page 3.

As can be seen from the above, the major beneficiary is the National Government with the Provincial Government and the landowners receiving much less.

Francis Ona and other younger and more educated landowners, were the most dissatisfied. After consultation with a number of advisers, Ona decided to attempt to take over the running of the landowners' trust fund known as the Road Mining Tailings Leases Trustee Ltd. The history of this body warrants mention.

5.4 Road Mining Tailings Leases Trustee Ltd

The actual land involved is owned by individual clan members. The hereditary passing of land is through a complicated system involving women. When a woman dies, the land passes to her daughters. Men gain power over land through marriage. (Pawia and Kemelfield, 1984). The passing down of the land is not recorded in writing, but is known by clan members. (Oliver, 1991). The clans who actually received compensation were those directly affected by the mine.

These landowners fall into four groups: ① the villagers who owned the land where the mine was dug; ② those who had land on which was constructed the road leading from the Uruawa to the Panguna Mine was constructed; ③ Rorovana on the coast where the Port of Loloho was built; and ④ those who are affected by the tailings. This tailings group is divided into two, with the Upper Tailings Group being those from the Panguna mine site

to the Jaba Pump Station, and the Lower Tailings Group from the pump station to the mouth of Jaba River in Empress Augusta Bay, on the western side of the island.

Appendix 4 is a map of the island showing the location of the groups. It is from these area names that the Trust Fund took its name. It is only those villagers that own land on which the road or the mine is placed or whose land the river passes through, who receive compensation. The Association was started as far back as 1972 and there were 15 men elected by the clans who sat on the Association. They reportedly represent about 1,000 people.¹³

The compensation paid until 1981 was purely on assessed physical damage to the environment. In 1980 a new compensation arrangement was agreed, in respect of social inconvenience. While everyone admitted there were certain benefits that the mine produced, it was claimed and accepted that there were some social problems/inconveniences. Until 1981, payments in respect of royalties were handled by Bougainville Copper Ltd.'s Finance Department direct with the individual clans. Bougainville Copper Ltd. assisted the landowners in setting up the Road Mining Tailings Leases Trustee Ltd. (RMTL) to handle the royalty monies received from this new head of compensation. This took effect from October 1981.

In 1981, there was no full time employee of the Trust and the money was basically invested in interest-bearing deposits. The original directors of the RMTL were the then members of the Panguna Landowners Association. These men decided to try to divert the money to help their people and therefore allocated a certain amount of the money in small loans that went out to various individuals. Unfortunately with no one to administer the scheme properly, many loans became bad debts. The directors were therefore forced to cease this small loans scheme; they continued to invest the money and bought shares in several companies such as Investment Corporation, the two new banks in Papua New Guinea, namely Niugini Lloyds and Indosuez, as well as in companies such as Bougainville Development Corporation and Arawa Enterprises Ltd.

Besides these companies, the RMTL also made a PNK150,000 loan to the Toboroi landowners to assist them to purchase a plantation from an expatriate Australian. The loan only covered the purchase of the run down plantation, and as the villagers did not have enough working capital, this too became a bad debt. The Toboroi landowners from the Keita area were originally assisted because they had given a great deal of support to the Panguna Landowners Association members during their early struggles with the copper mine.

A loan was also made to the Manetai people to purchase shares in Bougainville Limestone Mining. Bougainville Limestone Mining had some difficulties of its own and dividends had not been readily forthcoming. This loan too proved unprofitable for RMTL.

¹³ Personal interview 8 December, 1988, of Geoffrey Ewing LLB, then Company Secretary of Bougainville Copper Ltd. (Confirmed by James Narokai during interview 28 July, 1989).

It should be made clear at this point that all the activity associated with the RMTL had nothing to do with BCL. It was administered by the landowner representatives themselves who, it was later claimed by some, failed to assist the younger members of their own clans.

To help overcome these problems the RMTL employed a full time administrator, a Filipino expatriate, Rey Jacinto.

In 1987 RMTL acquired equity in the Tenakau Plantation from a Chinese plantation owner for PNK1.3 million. Tenakau was run as a fully fledged business enterprise and they recruited three expatriate Filipinos to manage the plantation. This was running well, although it suffered following the departure of many of the non-Bougainvillian labour force due to a spate of violence.

Because of the failure of the loan to the Toboroi landowners, RMTL renegotiated it with the Toboroi people so that the loan became 80% equity for RMTL in the plantation.¹⁴

5.5 "The Economic Coup"

In 1987 the same directors who were originally appointed in 1981 were still running the RMTL. At this point in time a group of younger, more educated landowners, became disenchanted with the running of the RMTL and with the benefits they were receiving; not only from RMTL, but from the mine as a whole. They felt that the Panguna Landowners Association and the RMTL had sided with BCL.

A meeting was arranged and held in Bougainville Copper Ltd.'s gymnasium at Panguna, on 4th July, 1987. At the meeting Fr. Momis and other members of the Melanesian Alliance Party were present along with the Premier, Joseph Kabui. Francis Ona, Mrs. Perpetua Serero, and Henry Moses (BCL Union Leader) also attended. In fact, over 100 villagers attended and with the support of the senior politicians, a new Panguna landowners association was set up.

The new Panguna Landowners Association then attempted to take over the running of the RMTL. Neither the General Manager of the Trust, nor the existing directors would acknowledge the new Association, saying that its formation was not within the Articles of the Trust. The new Association, which as mentioned earlier, had the support of senior politicians, then physically took over the offices of the RMTL as well as the motor vehicles in their fleet, changing locks etc. This became known as the "Economic Coup".

A court injunction was taken out by the original directors of the RMTL and they succeeded in having this new faction evicted, after which they once again took over their offices and the running of the RMTL. This failed "Economic Coup" took place in October, 1987. The most vocal members of this new group were Francis Ona and Mrs. Perpetua Serero, who was in fact elected Chairperson.¹⁵

¹⁴ *ibid.*

¹⁵ *ibid.*

It was suggested by two independent sources¹⁶ that one of the reasons that Ona was attempting to take control of the RMTL was to use the funds to buy weapons for his planned struggle against Bougainville Copper Ltd. and the National Government.

6 1987-1988

This new faction's next major initiative was to arrange a meeting in May, 1988, between the landowners, Bougainville Copper Ltd. and the Department of Minerals and Energy of the Provincial Government. At that meeting, Francis Ona and Perpetua Serero demanded further compensation. Geoff Ewing, the Company Secretary of Bougainville Copper Ltd., attended this meeting as one of Bougainville Copper Ltd.'s representatives. The meeting did not achieve much as the representatives from the Department of Minerals and Energy were very junior.¹⁷

At the end of the meeting a senior employee of Bougainville Copper Ltd. was handed a letter that had already been prepared. The letter asked five questions that Bougainville Copper was requested to answer. In addition to this, it expressed the view that the mine was having a detrimental effect on the landowners who were claiming PNK10 billion in compensation. The letter also stated that the company would be allowed to continue its operations if (a) BCL paid 50% of its profits from all future years, to the landowners and the Government of Bougainville; (b) the Landowners Association be consulted prior to the establishment of any new projects; and (c) that BCL would become a local company owned by the landowners and the people of Bougainville after five years. The letter concluded with a demand that the questions and the matter of compensation be addressed within 14 days.¹⁸

A copy of the actual letter, written in Pidgin with an English translation, is attached marked as **Appendix 5**.

To put their demand into perspective, operational revenue (not profit) to the end of 1987 was PNK4.4 billion; well short of the PNK10 billion claimed. While the size of the demand was treated as absurd, the demand itself was not ignored. Bougainville Copper Ltd.'s financial measurement is controlled by the Mining (Bougainville Copper) Agreement, which was passed as an Act of the House of Assembly in 1974. It was reviewed in 1981 with no alterations. The Act detailed and fixed such items as taxation, customs duty and payment of royalties compensation etc.

The Company, which has a good record of meeting its obligations, really had no power to negotiate. Nevertheless, between April and November, 1987, Company representatives did attend a series of meetings with this group. There were other meetings at which both

¹⁶ Barry Middlemiss and James Narokai, believed to be an adviser to Ona, during personal interviews 30 June, 1989 and 28 July, 1989, respectively.

¹⁷ Personal interview 8 December, 1988, of Geoffrey Ewing LLB, then Company Secretary of Bougainville Copper Ltd.

¹⁸ *ibid.*

National and Provincial Government representatives were present, however, this did not resolve the landowners' demands. In fact, as late as December, 1988, the landowners were still unshakeable on their PNK10 billion demand.¹⁹

One of the issues raised by the landowners during the meetings which took place after the 5th May letter, was the detrimental effects of the tailings from the mine flowing down the Jaba River.

As part of the development of the mine, water from the Kawerong River was diverted into the Jaba River. Besides this, during the initial construction phase between 1969 and 1971, 13.2 million cubic metres of overburden was removed using a technique known as hydraulicing. Bulldozers were used to push the overburden into natural drainage channels and the material was washed away using large hydraulic hoses. After mine production commenced, water and crushed rock from the concentrator passed down into the Jaba River, increasing its natural flow.²⁰ As a result of this, the Jaba River widened considerably, forcing the villagers from their normal gardens into more hilly, less fertile, locations. The widened river certainly did look ugly and in some parts there was blue staining from the copper.²¹

The villagers claimed that fish were dying in Empress Augusta Bay where the tailings were discharged. They also claimed that flying foxes and other animals which were a food source to the villagers, and were normally found around the Jaba River, were disappearing. These claims were supported by Premier Kabui. The Jaba River was of concern to the Company and to the Government long before this and BCL had reached an agreement with the Government in January, 1987, in which they agreed to the construction of a pipeline at a cost in excess of PNK60 million, to improve the disposal of tailings and, from an environmental point of view, to allow the Jaba River to rejuvenate itself. The construction of this tailings pipeline was well under way when the demands were made.²²

The National Government, without prior consultation with BCL, arranged for a New Zealand based company to carry out an environmental study. Their findings were brought down at a public meeting in Arawa on Friday, 18th November, 1988. Present at this meeting were members of the Provincial and National Governments as well as some representatives of Bougainville Copper Ltd.

¹⁹ *ibid.*

²⁰ Personal interview 30 June, 1989 of B.J.A. (Barry) Middlemiss, a long term resident on Bougainville and at that time a part time newspaper reporter for the *Post Courier*.

²¹ Inspection by writer on 4 occasions during 1988 and 1989.

²² Personal interview 8 December, 1988, of Geoffrey Ewing LLB, then Company Secretary of Bougainville Copper Ltd. (Confirmed by James Narokai during interview 28 July, 1989).

The landowners were far from impressed with the conclusions and recommendations of the environmental study and left after disrupting the meeting.²³ A section of the environmental report covering the conclusions and recommendations, can be found in **Appendix 6** of this report.

After the walkout from this meeting, things certainly progressed quickly. Francis Ona, who until that time was an employee of Bougainville Copper Ltd., resigned. He then made an announcement over the local radio station, on 18th November 1988, suggesting that the environmental study was "*rigged*", that perhaps a bribe had been paid, and that "*big things were going to happen.*" He also sought the support of the Bougainville people.

Ona stated his first aim was "*to establish our own Government*" and warned that the mine would be "shut down". A transcript of this important broadcast and a translation are attached as **Appendix 7**²⁴.

The message was clear enough but appears to have been completely ignored by BCL management. Only three days after the walkout from the meeting, the first act of violence in a long series occurred.

7 Events - 22 November 1988 to 30 September 1989

There were literally hundreds of events during this period that culminated with BCL abandoning the Panguna mine indefinitely. These events are listed²⁵ in detail in **Appendix 8**. A summary of the more significant events is provided here.

The local landowners' attempts to close the mine started at 3am. on 26th November, 1988, when they blocked the Port Mine Access Road using bulldozers and a grader. By 8:30am. this had been cleared by police. In the afternoon of the same day, a group of masked men held up security guards at Bougainville Copper's magazine and stole a quantity of explosives. This caused concern as Samuel Koana had gone AWOL from the PNG Defence Services, having recently completed a demolition training programme with the Australian Army in Australia.

Three days later an unidentified landowner went on Radio North Solomons threatening to blow up the mine. This was followed by a series of deliberately lit fires.

²³ *ibid.*

²⁴ Obtained in person by Bruce Avernell, an expatriate living at Arawa, from Radio North Solomons, Keita at the request of the writer. Some writers (Filer et al) claim the transcript is not genuine. I believe the transcript to be an accurate representation of Ona's broadcast, based on my interviews with people who listened to the broadcast and the method in which it was provided to me.

²⁵ The sources of information to compile this summary include personal observation, interviews of eyewitnesses and newspaper articles from *Post Courier*, *Niugini News*, *Arawa Bulletin*, and *The Times*, from 22 November, 1988 to 30 September, 1989.

Further explosives were stolen on 30th November, 1988 from Bougainville Limestone Mining. The explosives were put to use on 1st December when Tower No. 53 supporting transmission lines from the Loloho Power Station to the Panguna Mines, were brought down disrupting power to the mine.

The day after production recommenced another Tower, No.50, was felled by explosives. Temporary repairs were carried out and power reconnected to both the mine and the town of Panguna, however BCL issued a press release stating they were not prepared to resume operation of the mine until "*the company is satisfied that its personnel and assets are secure from further interference.*"

A Government delegation on Bougainville, led by Deputy Prime Minister, Akoka Doi, was not able to actually meet with the disgruntled landowners. Threats were made by this committee to use "*extreme measures*" to bring about law and order, but this did not deter the rebels following Ona, as further buildings were destroyed and threats made to company property in Arawa.

By 7th December 1988 a further 50 police officers were flown to Bougainville to join the 102 already stationed at the mine and the Government were considering sending in soldiers to help the police.

On 10th December, 1988, production of the mine recommenced after BCL received a written assurance from Prime Minister, Mr. Rabbie Namiliu. The police carried out raids over the next few days, however, complaints were immediately lodged with Premier Kabui and Father John Momis, that the police were using unnecessary force. While no explosives were recovered during the raids, a BCL 2-way radio was recovered.

A Ministerial Committee was set up at this time, headed by Deputy Prime Minister Akoka Doi, to review the Bougainville Copper agreement. Father John Momis was also appointed to the Committee. *

During the second half of January, 1989, further attacks were made by the militants, not only on BCL property but on other private property and government installations. In an attempt to bring law and order back under control, a 6pm. to 5am. curfew was imposed from 23rd January. This was code named "Tampara 89".

On 30th January, 1989, a letter was received at the *Arawa Bulletin*, signed by a member of the Bougainville Revolutionary Army. This was the first reference to an "army" as such.

Skirmishes continued with injuries being sustained to both rebels and police officers during the first weeks of February. On 10 February 1989, Francis Ona wrote to David Sisito for Central Bougainville in the North Solomons Provincial Government, setting out his three aims: the first of which was to break away from Papua New Guinea.

On 16 February, 1989, BCL announced the PNK108 million profit. This did nothing to ease the situation and several days later Ona was quoted as saying "*the only way to get rid of foreign domination of the economy is for the people of North Solomons to secede from the rest of Papua New Guinea.*"

Frustrations were being felt by both sides and the Police Commissioner and members of his force complained at being hamstrung in their attempts to bring the matter under control.

Raids continued during the remainder of January and February, including a large demonstration by non-Papua New Guineans in Arawa on 20th March, 1989. Defence Force soldiers were then despatched to the island arriving on 22nd March. The next day a special committee to assist with the North Solomons crisis, was announced by the Prime Minister.

Further soldiers were despatched and foreign journalists and diplomats were banned from North Solomons Province by the PNG Government on 26th March. After rumours that Arawa's water supply had been poisoned, the first of many evacuations of non-Bougainvillian nationals, commenced on 1st April, 1989.

By this time, Ona was claiming to have over 500 followers and on 12th April, 1989, the front page headline in the Niugini Nius, one of the two daily national papers in Papua New Guinea, reported *"Rebel Ona Declares a Republic."* Three days later a power transmission tower was toppled with the use of explosives, disrupting power at the mine for just over 24 hours.

In late April, 1989, BCL issued a press release that stated it had applied to the National Court of Justice on 21st April, over the payment of compensation to landowners. The press release referred to a dispute between landowners as to the method of compensation for social inconvenience. The press release stated that the proceedings highlighted the Company's desire to meet its obligations to pay compensation to landowners and indeed, the amount in dispute was paid by the Company into an interest-bearing account pending further order of the National Court. *

On 4th May, details of the Bougainville 'package' were published. These included the construction of roads, schools, and health facilities. The five-year programme amounted to approximately PKN200 million. Besides this, there was a PKN5 million unconditional annual special grant to be made to the Provincial Government. There was also to be a redistribution of royalty payments. Previously 95% was paid to the Provincial Government: under the new proposal, 80% was to go to the Provincial Government, 5% in cash to landowners, and 5% to village projects. A further 10% was to be invested in a fund for future generations. The equity proposal offered by the Namuliu Government, amounted to 4.9% total equity in the mine. *

A complete news blackout for North Solomons Province was enforced on 6th May, 1989, and three days later the first warning of the implementation of the State of Emergency was made. Over the next few days, fighting continued between soldiers and militants, with deaths on both sides. On 15th May, 1989, the Bougainville Miners Workers Union requested its members to withdraw their labour and sufficient of them did so to halt the mine production at 1pm.

The same day, the Keita District Court approved payment of the Social Inconvenience Grant direct to landowners. Approximately 30% of the latest Social Inconvenience *

payments, mostly relating to the lower tailings area, were paid to the "old" RMTL. The remaining 70% was paid direct to the landowners.

On 19 th May, Prime Minister Namiliu wrote to the managing director of BCL, Mr. R.J. Cornelius the Executive of the Bougainville Mining Workers Union and the Staff Association of BCL, advising that the Government assured the various bodies they would be safeguarded. To accomplish this, a further 180 Defence Force members were despatched to the area.

This resulted in the mine workers returning; however, production was not scheduled to recommence until the following day, 21st May, 1989. Before production could start however, another power pylon, No.22, was blown over, using explosives. The same day, an expatriate CRA adviser was shot outside his company supplied accommodation at Panguna. The next day, four company buses transporting employees to the mine, were fired upon. Eight national employees were injured and three buses damaged.

Violence continued as tower No.38 was toppled by explosives later that same day. To prevent it from being repaired the Port Mine Access Road was blocked by militants using boulders and trees.

On 24th May, the National Government declared a 15-day Public Truce in North Solomons Province, during which time it was hoped "that church leaders could establish serious dialogue between Ona, the National Government, the Panguna Landowners' Association, BCL, and other interested parties". While this was being organised and power being restored to the mine, BCL instituted an early leave programme for nonessential employees. This coincided with the BRA making threats against Bougainvillians and their families associated with BCL.

While Ona held meetings with Bishop Gregory Singkai, advertisements appeared in all newspapers advising that notices concerning early leave programmes, absent employees, and retrenchments, had been distributed to all BCL employees.

Whereas Ona clearly wanted secession, the Prime Minister, in an address to the nation on 9th June, 1989, said that "*no national government could accept such a demand*".

A further attempt was made to bring the matter under control by evacuating all the villages around the mine and bringing the inhabitants into Arawa township, housing them in makeshift campsites on football fields and school ovals etc. Following this, identification cards were prepared and issued to all Provincial Government employees as part of a state of emergency.

The conflict continued to widen with attacks by bands of rebels on plantations and other businesses on Bougainville Island. As a result, the State of Emergency on Bougainville was extended for a further two months. Evacuations of Bougainvillians continued with 2,000 villagers reported evacuated and rehabilitated on 14 July, 1989, while the Government was also funding the repatriation of non-Bougainville Papua New Guineans to their home villages.

By 1st August, Bougainville Copper Limited was under pressure by the Government to reopen, but at the same time Minister for State, Ted Diro, advised that security forces on Bougainville were being reduced: Defence Services from 500 to 400 and police from 200 to 120. This was soon reversed however, and BCL employees began to repair the felled electricity pylons. The mine reopened on 5th September, 1989, however two buses transporting mine workers, were fired upon by militants. Thirteen bullets lodged in the vehicles, but only two workers were injured by flying glass.

Production ceased that day with BCL issuing a press release advising that the Company had suspended operations until further notice. This was in fact the last time Bougainville Copper's Panguna Mine operated. Many writers record the date the mine ceased production as 15th May, 1989.²⁶

The PNG Government continued to attempt to bring the matter under control, even issuing, on 22nd September, 1989 a PKN200,000 reward for Francis Ona and his seven deputies. All this failed and eventually all expatriates were ordered from the Island; police and Defence Forces then withdrew leaving the Island to the local inhabitants.

The PNG Government has since been trying to take control of the Island with mixed success. Their actions threatened to widen the conflict to include the independent country of Solomon Islands, where PNG Defence Force soldiers have carried out raids on alleged ammunition dumps.

7.1 Other Enquiries Not Reported in the Press

Prior to the 26th May, 1989, it was deemed unsafe for expatriates to travel to Buin or Tonu to inspect the damage sustained during the attacks in March of that year. On May 26, 1989 a helicopter was chartered and an attempt made by us to travel first to Tonu. Here our helicopter was waved away by a villager with a shotgun. While at Tonu it was noted that a series of trenches had been dug across the grass airstrip apparently to prevent any light aircraft, including the Defence Force Nomad, from landing.

We were able to land at Buin and discussions were held with some of the villagers. Here we were told that the school at Tonu was being used as a barracks for militants from the Bougainville Revolutionary Army. Later enquiries proved this to be untrue.

Accompanying the writer on the trip was a representative of Arawa Enterprises Ltd²⁷. He advised us that in March he had noticed a large building north of Boku, which had obviously been standing for quite sometime, and which had a sign on it indicating it was "Parliament Building". Later during a visit to Bougainville on 30th June, 1989, the writer obtained a photograph of the building taken by the AEL employee.

However, even though we attempted to locate the building ourselves on this trip, we could not locate it mainly because the helicopter pilot was fearful of flying low enough

²⁶ See Weisman, 1991 et al.

²⁷ Name withheld at request of interviewee.

to allow positive identification of the buildings. He feared that shots would be taken at the helicopter. On the 27th and 28th July, 1989, detailed enquiries were carried out and it was ascertained that the Parliament House Building was located to the northwest of Boku at Mosigeta village. I chartered a helicopter and located the village where I was able to photograph the building. During my two earlier helicopter trips over the area, I noted there were very few people moving around. However, during the trip on 29th July, 1989, large numbers of people were seen moving in both directions along the road away from the parliament house Building and this prompted me to believe that a meeting had recently taken place involving a large number of villagers.

The grounds around the building were well tended. The building had a large black eagle painted on the front of it, which is a symbol of the cargo cult, and the word 'Palament' (pidgin spelling) written in yellow and black. Another word 'Okondon' was also written on the front of the building. In an interview with Mrs Joyce Nane,²⁸ who was the senior salesperson for Arawa Enterprises at nearby Tonu store, she advised that she recalls that construction of the parliament house building started in May or June, 1987. As far as she can recall it was completed no later than the end of September 1987.

A villager from that area, Mr A. Lalhea²⁹ who spoke the local language, known as Nagovisi, advised that the word "Okondin" appearing on the parliament house building is a Nagovisi word. The "O" means "this". Unfortunately "Kondin" does not have a direct translation, but it means something like "*caught up with us*". The way he translated "Okondin Parliament" was that the "*parliament is here, it is caught up with (part of) us*". Unfortunately the other words on the building are not quite clear, but he thinks that the words starting with "solo" on the right-hand side of the doorway could mean "*one collection of chiefs*".

Both Lalhea and Nane advised that they recall that meetings were held at the parliament house regularly, usually on a Monday night, however you had to be a member of the Cargo Cult to attend. They advised that people went to the meetings as the organisers supplied free beer.

Photographs of the Tonu Airfield; and Parliament House at Mosigeta village, are incorporated as **Appendices 24 and 25** respectively.

Also listed under **Appendix 26** are the dates on which the writer visited Bougainville to inspect the damage and investigate the circumstances.

Pius Kerepia, the Commissioner for Corrective Services³⁰, was interviewed and he advised that by 30th June, 1989, the police budget, which had until the end of November, 1989 to run, had been exceeded by PNK1.9 million. The Defence Forces budget was

²⁸ Interview 28 September, 1989. Mrs Nane is a native Bougainville from the Tonu region.

²⁹ Personal interview with Mr. Alphonse Lalhea, from Biroi Village. Interview 29 September, 1989.

³⁰ Personal interview 29 July, 1989.

exceeded by PNK1.7 million and the Department of Corrective Services by PNK800,000, solely because of the Bougainville Crisis.

8 The Dilemma facing the Government of Papua New Guinea

The Prime Minister and the Government were under a great deal of pressure at this time on both the political and economic front.

8.1 Political

During the first half of 1989, the police, and later the army, were restricted in their attempts to bring the situation under control by direct political direction. Examples of this are the newspaper article from *Niugini Nius* dated 3rd March, 1989 and the demonstration by police officers outside the Arawa Police Station on 17th March, 1989.

It has to be understood that Prime Minister Namiliu was in a difficult position. Fr. Momis was in his ministry and his Melanesian Alliance Party was part of the coalition government. If the police and army had acted too harshly during this time, it is believed that the Melanesian Alliance Party may well have deserted the Government benches with the consequence that the Prime Minister would have found himself defeated in the Parliament and thrown out of office.

The riot squad, and other members of the Police Force and Army, could on occasion exceed what would be generally considered "normal" police limits of violence. From the police perspective the majority were poorly trained for the role in which they now found themselves. From the Government point of view they could not ask for help from Australia or elsewhere and yet, I feel they did not have confidence in the ability or style of the resources available to them to resolve the problem.

8.2 Economic

Since May, 1982, the economy of Papua New Guinea was seriously affected by the closure of the mine, by virtue of the 20% share holding held by the National Government and the substantial tax and royalty revenues that were stopped. The Government therefore had a significant vested economic interest in trying to stop the violence, particularly where the aim of the militants was to secede which would mean the permanent deprivation of a valuable national resource.

From the above it can be seen there were two conflicts. One on the ground in Bougainville and the other in the National Parliament in Port Moresby. (Kemelfield, 1991).

9 Essential Qualities of Insurrection

There has been disagreement about whether the actions of the "militants" constituted an insurrection and if it was an insurrection, when did it commence? Ona's "Declaration of Independence" was first published in the *Times of PNG* on May 17, 1991 and this settled the first question but not the second.

Research has been undertaken into what constitutes an insurrection: the events leading up to the violence, and the nature and number of incidents that have occurred during the period, has been carefully considered. What appears to prevail through over 100 years of law is that there are three particular qualities that must be present for an insurrection to have been said to have occurred. These are:

- (i) the existence of a defined group or "movement" which has
- (ii) a defined purpose of overthrowing the Government of the day or obliging it to accept a particular policy, and which resorts to
- (iii) the use of violence to achieve that end.

Pan American World Airways Inc. v Aetna Casualty and Surety Co.. (1975) 1LI R77

9.1 The Existence of a Defined Group or "Movement"

It is believed that it could successfully be argued that the "new" Panguna Landowners Association would fall within this definition. The group was formed in mid-1987 and elected a chairperson, Mrs. Perpetua Serero, and a secretary, Francis Ona.

The movement/group undertook correspondence in its own name and was recognised and had the support of Fr. Momis, a Minister in the National Cabinet; the Premier of the North Solomons Province; and other prominent people. As an offshoot of this, it may be argued that the Bougainvillian Revolutionary Army also fell within this definition: its existence was first signalled in a letter to the *Arawa Bulletin* on 30th January, 1989 (see **Appendix 10**).

9.2 A Defined Purpose of Overthrowing the Government of the Day or Obliging it to Accept a Particular Policy

There are numerous examples of the above group wishing to secede from Papua New Guinea, starting with Francis Ona's radio broadcast in November, 1988, and followed up by his letter dated 10th February, 1989. However, before this, the group were claiming PNK10 billion compensation and were making other demands against BCL and the Government. (See initial letter of demand dated 5th April, 1988, **Appendix 5**).

The distribution of payments out of BCL profits was controlled by an Act of Parliament and therefore it could be argued that the actions taken by the group were designed to make the National Government accept a change in policy. Quality (ii) appears to have been fulfilled.

9.3 The Use of Violence to Achieve the End

Under the heading "Events - 22nd November, 1988 to 30 September, 1989" and **Appendix 8**, over thirty separate incidents are cited involving death or injury, and numerous cases of damage to property. Over 100 people were killed (some say as many as 300) and well over 60 people injured. Property damage in excess of PNK20 million

was occasioned. This clearly demonstrates that the movement and its followers were prepared to resort to violence.

In view of the foregoing I strongly contend that, at the very least, an insurrection took place in North Solomons Province well before Ona' Declaration of Independence. In arriving at this opinion, I have taken into consideration the following:

1. Over 500 police and army personnel had been deployed on the Island, resulting in a significant blowout in National Government expenditure;
2. Conservative estimates placed the number of militants involved at over 150, with some attacks involving up to fifty people;
3. The forced evacuation of over 2,500 Bougainvillian villagers;
4. The voluntary departure of over 300 non-Bougainvillians from the Island as a direct consequence of the violence, with the Government meeting the cost of repatriating highlanders off the Island;
5. The implementation of a curfew, and later, a state of emergency;
6. Political targets unrelated to BCL owned property had been attacked, including police stations and the Aropa airport terminal;
7. The militant attacks had an appearance of being well planned and directed against specific targets;
8. The construction and use of an alternative 'Parliament House' building at Mosigeta;
9. The PNG Government were forced to withdraw all defence force personnel and abandon all Government functions including post, telecommunications, health, and law and order on Bougainville for over two years.

9.4 Crucial Date

The next question to be addressed is the actual date that the insurrection or similar state came into being. When I first attended the offices of Bougainville Copper Ltd on 8th December, 1988, to study this topic, I canvassed, with company secretary Mr Geoff Ewing, the possibility that an insurrection was taking place. It must be remembered that there are a great many riots and periods of civil commotion in Papua New Guinea, as the general populace tends to be quite volatile and often reverts to traditional means, including 'pay-back' to vent frustration. He advised that the word "insurrection" did not feature in his dictionary.

Others including Filer (1991), share the view that the independence push came much later. On the other hand Crocombe (1968) suggests that secession was discussed before the mining project even being started.

With my study of the history of the Island, including the events up to September, 1989, I believe it is clear that Francis Ona and his group had planned, well in advance, the confrontation with the Government.

It was suggested by Mr. James Narokai, one of Ona's earlier advisers, and Mr. Barry Middlemiss, that Ona's attempted 'Economic Coup' was designed to enable him to access money that would allow him to purchase weapons. The demand of 5th April, 1987, was for a ridiculous amount and eight months later, Ona and his group were still unshakeable in their demands for PNK10 billion. This tends to indicate that the group was not really interested in compensation alone, but had other political aims. In the same letter Francis Ona refers to the "Government of Bougainville" whereas no such government existed.

Ona was well educated and while at the bottom of his letter he directs a copy to the North Solomons' Provincial Government, in the body of his letter he refers to the "Government of Bougainville". It is a small point but may well show that as far back as April, 1988, Francis Ona wished to set up his own government.

The radio broadcast made by Ona on 18th November, 1988, leaves no doubt in my mind as to his intentions. History shows that not only was he inciting an insurrection at that time, he went on to lead a successful one.

It is my view that the insurrection started with the very first acts of violence against BCL in late November, 1988.³¹ This is supported by the events in late January, and early February, 1989. Here there were a number of points which indicated that what was occurring were not isolated incidents of rioting or general civil commotion, but something more.

During this period there were the following:

- (1) Imposition of a curfew on the 23rd January, 1989;
- (2) The first letter from the Bougainville Revolutionary Army dated 30th January;
- (3) A skirmish between villagers and police in which three villagers and two police officers were injured;
- (4) On 10th February a letter written by Francis Ona, spelling out his three aims, including his desire to break away from Papua New Guinea as first priority. (See **Appendix 11**);
- (5) By this time the Parliament building at Mosigeta was definitely completed. The exact date of construction is not known but it was built well before this point in time.

³¹ This finding begs the question, "why then did insurers offer AUD102.5 million in settlement when the insurance policy excluded insurrection?" The full answer is outside the scope of this paper, but the main reasons were, concerns over the evidence available at that time, and commercial reality with reinsurance programmes.

Turning back to Filer (1991), he admits that the letters of February and April, 1989, talk of secession, but indicates that this was based on talks with Premier Kabui in response to the death of the first militant in January of that year and the murder of Debrah Raboni on 10th March, 1989. But what of Ona's broadcast in November, 1988 before any deaths occurred?

His second argument centres around the report in the *Times of PNG* (15th June, 1989) that stated Perpetua Serero chairperson of the "new" Panguna Landowners' Association (PLA) said "*that she not only "feared secession", but that 'the whole crisis in the province has developed into something totally different from the original demands of the landowners' "*.

Could Mrs Serero have had different aspirations to Ona and others of the "new" PLA. I argue that the original letter of the "new" PLA, demanding compensation and delivered over a year before showed the aims of Ona.

His final argument centres around a report again in the *Times of PNG*, (7th September, 1989), reporting Francis Ona as saying, "*the Bougainville Revolutionary Army was born on the day that Defence Force troops landed at Aropa Airport in March, 1989.*" I would point out a letter received by the *Arawa Bulletin* on 30th January, 1989. (See **Appendix 10**) which proves the inaccuracy of the report.

My view, on the date when the actions of Ona first constituted an insurrection, was first made in December, 1988. The question was reassessed in August, and October, 1989 and again in 1990. On reading Filer's points of view made in 1991, the question was again reviewed. Having done so yet again to write this paper, I continue to hold the view that the crucial date of when the insurrection started was with the first acts of violence by the militants in November, 1988.

10 The Managerial Question

May (1991), wrote "*maybe a more imaginative early response on the part of the national government and the company [BCL] could have achieved a resetting of the agenda (though this is not obvious),..*" (emphasis May's) The question here is; what could the company have done?

According to Don Carruthers (1991), the Panguna region has deposits allowing for 15 - 25 years mining depending on operating profits at the time. There was certainly an incentive to keep the mine going not only for the investment to date.

Yet repeatedly the Company used the line that the landowners should take up their argument with some Government Department or other.³²

³² See Ewing comments (1988), this paper and Filer, (1991).

I put the question to a senior executive of CRA³³ in April 1994. He advised that BCL realised more money should have been directed to the landowners directly affected by the operation of the mine: he stressed however, that BCL was a good corporate citizen and that they had distributed payments in excess of that required by the Act. They also had made all payments on time for Royalties etc. He pointed out that every time BCL provided additional monies or benefits, such as the construction of a road, they were censored by either the National, or more likely, the Provincial Government who directed that such monies should be paid to them for distribution. In the case of public works, the Provincial Government insisted that BCL pay the cost of any development direct to them and not carry out the public works themselves or pay a contractor to do it for them.

The Government's position on this can be understood, however, from BCL's point of view it was felt that the monies paid over, never reached the parties for whom they were intended. Several projects which were funded by BCL never came to fruition with monies being diverted to some other cause. Misappropriation of funds by government officials and employees allegedly also took place.

A possible solution that has been suggested which may have avoided the problem that developed on Bougainville, albeit temporarily, involved either a substantial bribe to Francis Ona and his key associates or alternatively, his assassination. Neither CRA nor BCL are the type of company to be involved in either of these alternatives. Whilst I have never met Ona, I do not believe from what I have been able to glean from my study, that he would have accepted a personal bribe in any event.

It must be stressed that BCL was a trail blazer in Papua New Guinea, and the world and PNG changed rapidly during the twenty short years that they operated. Whilst there was no easy solution even with perfect 20/20 hindsight, several possibilities did present themselves to BCL which may have avoided or postponed the conflict or perhaps prevented the militants from gaining as many followers as they did.

The majority of these needed to be identified and resolved long before the first act of violence occurred. These are referred to below as "Long Term Issues". The three most crucial areas under this heading are:

1. Environmental issues
2. Landowner liaison
3. Staff relations.

Little could be done once the violence started and the National Government stepped in as it became a law and order matter. Even then however, one option is offered as a possible solution. This is discussed below under the heading "The Last Opportunity".

³³ Name withheld at interviewees request.

10.1 Long Term Issues

10.1.1 Environmental

Environmental issues **in today's world** are of concern to even the most uneducated of peoples. The landowners have a very close, spiritual association with the land. They were subsistence farmers when CRA arrived on Bougainville. During the life of the mine the villagers saw a disturbing increase in a number of areas ranging from the sighting of ulcerated fish to the perceived increase in birth defects. (Dorney 1990).

While the environment is a relatively new concern to man, it has been gaining importance for many years. BCL had already commissioned a tailings pipeline to be constructed which would have reduced the environmental impact of the mine particularly along the Jaba River, however, this was too little, too late.

Mining companies have to be beyond reproach with environmental issues and other mines in Papua New Guinea and elsewhere in the world are likely to have environmental claims lodged against them if they are not highly sensitive to peoples concerns. Since this thesis was started, a significant demand for environmental damage has been made against the owners of the Ok Tedi Mine in Western Province, Papua New Guinea.

10.1.2 Landowner Liaison

The earlier top management of BCL, notably Don Vernon and Paul Quodling, devoted much of their time in maintaining links with village leaders. This had several benefits to BCL. It showed the Company to be a caring organisation when even the most senior executives took time to speak and listen with the traditional owners of the land. Secondly, it enhanced the reputation of the village elders for having such important guests visit them and treat them with respect.

While all societies have different customs, a show of respect is universal throughout. The general manager of BCL at the time of the dispute was Mr Robert Cornelius. He has been praised for his leadership during some of the more difficult periods that arose during the conflict. This praise is well deserved in many respects, particularly during the final evacuation when he and his wife remained on the island until all non Bougainvillian BCL staff were evacuated safely. He must take some blame for the closure however.

Cornelius joined CRA in 1958 and holds a Bachelor of Metallurgy and a Master of Engineering Science degree. He joined BCL in 1982 and held the position of Concentrator Manager. From the start he was heir apparent to the top position. Prior to this he was at Hamersley Mine in Western Australia and had no experience in Bougainville culture. I am sure that both Vernon and Quodling who were intimated as "good managers" were technical people with little prior experience in Bougainville when they arrived. Dorney (1990) points to the fact that *"in late 1988 the top men at BCL were questioning where Francis Ona was born, suggesting that his home village was well to the south of the mine when in fact it was on a ridge above the open cut pit"*.

One solution that may have overcome this would have been to use senior Bougainvillean staff but unfortunately there was no Bougainvillean from any of the affected villages in top management. From the start, BCL may have been better served by actively recruiting from the local landowners, ascertaining early those that had ability, and fast-tracking their careers. As it was, only one Bougainvillean held a senior management position, that being Mr Joe Auna, Personnel Manager. Mr Auna was from Buin which is to the south of Bougainville.

Coupled with this, the company had decided to reduce the number of village liaison officers while Mr Cornelius and the other senior managers spent far less time with the village elders than their predecessors.

In fairness, Cornelius cannot take all the blame for this problem. The earlier managers and consultants should have identified this. It should also be remembered that the earlier managers and their consultants, in more than one case, wrongly identified the actual landowners by using the European patriarchal system rather than the Bougainville matriarchal system of land ownership.

The conflict did not start overnight, but built up over a long period. A senior management team more attuned with the local people may well have been able to avoid the conflict.

10.1.3 Staff Relations

In any significant development in a remote region, whether it be the Snowy Mountains Hydro Scheme in Australia in the 1950's or the construction of the Bougainville Copper Mine, there is a natural bringing together of different people with differing racial, cultural and religious upbringing, not to mention skill levels. Many of the BCL workers that were interviewed during the course of gathering information for this thesis, suggested that there was a non-legislated form of apartheid in place on Bougainville. There was different quality housing available to expatriates than for local Bougainvilleans; fee charging international schools for expatriates and senior nationals, lower level schooling for local children; different local hospitals; and different drinking clubs.

There was no "whites only" rule in any of these establishments, but fees and location tended to bring about some segregation and cause resentment by some in the community. Again I stress that this was not done to purposely segregate the different peoples and much of it occurred simply because the employees themselves felt more comfortable with people sharing the same cultural background.

All the facilities provided for employees naturally have a cost and they were all provided by BCL. The high levels of health and education provided to the employees were expected by the staff and if not provided they would not have agreed to work at the remote location.

While it is only natural during recreation periods for individuals away from their home to gather together with others from their homeland, it is equally important to show to the local people that there is equality and that no group is superior purely based on colour;

particularly bearing in mind the wealth being generated by the mine was from the very land owned by those who were not receiving the full benefits of the development.

10.1.4 Summary

I am the first to admit that the problems facing BCL were complex, difficult to predict in advance and solutions often not in their direct control.

The difficulty faced by BCL when the mine was started, was that environmental issues were not as widely understood, Bougainville was a Territory administered by Australia and the local people were poorly educated. Over the short period of 20 years, all this changed. In the most simplistic of approaches it could be argued that BCL simply did not keep up with the changing environment. Change does have a price and the cost of constructing the pipeline, of additional training and an increase in services to staff and landowners would have all had a significant cost to BCL. Having said this, the costs suffered by BCL with the forced closure of the mine were significantly more.

It has been said that risk analysis is a difficult subject; I agree, but it is a subject that must be at the forefront of the senior managements planning.

10.2 The Last Opportunity

The facts were that BCL were surprised by the attacks on their property in November, 1988, and management did not even then appreciate the resolve of some landowners to close the mine.

The last chance the management had to avert the course of history may have been not to open the mine after the power was disrupted by the toppling of Pylon 53 on the 3 December, 1988. As it was repairs were immediately carried out and the mine reopened only to be shut down again the following day.

As an alternative to implementing immediate repairs, management could have stopped production, sought out the "Rebel Leaders" and listened to their concerns and negotiated. This may have shown the general populous that BCL were genuinely concerned at the plight of the landowners and that they were prepared to listen and act.

No doubt, some will say that neither management nor government can be dictated to by a small band of dissidents and that a show of weakness may have led to an ongoing, ever increasing number of stoppages and demands. Commercial pressures also, cannot be overlooked.

Once the decision was made to repair and go on with mining, the rebels stepped up their attacks eventually closing the mine anyway. By then BCL were in no position to negotiate and were in the hands of Government who themselves had contributed to the problem.

Even if BCL had no alternative but to leave the Island, they may have been able to sell the assets to another company or removed the vast majority of their equipment. As it was,

they had to abandon virtually everything. Having said this they still are the legal operators of the mine and are being encouraged to reopen it. This I am sure they will do if acceptable long term conditions can be attained.

Perhaps this again is simple with the benefit of hindsight. However, if any other mine is confronted with a similar situation they may be well advised to consider the alternative of stopping production, gathering all the facts negotiating and then making decisions.

10.3 Correct Decisions

Some management decisions taken by the Company were, in my view, in fact the correct ones. The decision by the BCL not to seek assistance from Australia or Australian interests, was wise. Any significant pressure being brought by Australia would have alienated Bougainvilleans even further, giving Ona more ammunition for the secession of Bougainville.

An area where BCL should be complimented is their attitude to training. The Company contributed greatly to the education of Papua New Guineans by way of apprenticeships and in graduate training. Even after the mine was closed, the Company continued to sponsor the graduate training with the final students graduating recently.

BCL were able to operate efficiently for 17 years and obviously credit is due to many of its management and staff.

11 Conclusion

This study has looked at several areas and attempted to explain the reasons behind "the tragedy that occurred on what is one of the most beautiful islands in the South Pacific". (Filer, 1991), and to warn others that what occurred on Bougainville can happen elsewhere.

What lessons for the Mining Industry then?

- 1) The first point is that environmental issues are of concern to even the most uneducated people in the western sense, and I believe that most mining companies realize this and act accordingly. I am not so convinced that some logging companies are as responsible.
- 2) Modern business practice is to reduce the number of layers of management and reduce costs. While this may be good business practice in some areas, I feel that management here did lose sight of the fact that they were operating their mine in someone else's country and that those people had different and much closer association with the land. When management reduced the layers of management and scaled down their liaison with the local landowners they caused a great deal of discontent and assisted younger, more educated, and more radical leaders in their drive for support.

- 3) The trend with many companies is to send expatriates to a foreign country for a set term, usually a three or five year contract. It is extremely important for companies to have some continuity in management, particularly the top positions of management and at this level, have great understanding and empathy with the local people. It is also important to train and introduce as many local staff as possible, allotting them treatment equal to expatriates.
- 4) From a risk management point of view, management should realise that political risks such as insurrection or rebellion are not covered by a typical insurance contract, although cover is available at a price, depending on the risk associated with the country in which the cover is sought.

The costs associated with reducing the risk of land dispute may be significant but if managed correctly, then long term benefits by way of less disruptions and down time will result.

There are no quick fix solutions to problems as complex as those which caused the closure of BCL's Panguna Mine. The problems did not materialise overnight. Management must have a mechanism in place to allow the true feelings of all those affected by the project, whether they be customers, staff, government or landowners to be known and understood. Armed with this information, management may have some opportunity to reduce the business risks.

oOo

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15 Glossary of Terms

AEL	Arawa Enterprises Limited - A private company operating on Bougainville and in Port Moresby.
APT	Additional Profits Tax
AUD	Australian Dollar.
AWOL	Absent without leave; in this case from the PNG Defence Force.
BCF	Bougainville Copper Foundation - A foundation set up by BCL to assist landowners learn job skills and run businesses successfully.
BCL	Bougainville Copper Ltd.
BRA	Bougainville Revolutionary Army.
BSPC	Bougainville Special Political Committee. The chairman was Fr. John Momis (1973-1975).
Company	BCL.
CPC	Constitutional Planning Committee.
CRA	Conzinc Riotinto Australia Ltd.
Halias	From Halia a region on the eastern side of Buka and the north eastern corner of Bougainville.
Manetai	A village group to the north of the township of Keita.
Napidakoe Navitu	A group of united people from Bougainville derived from an anagram of the initials of the different ethnic groups in the vicinity of Keita. Na = Nasoi; pi = Pirung (coastal group); Da = Daru; Ko = Koromira; e = Eivo. "Natitu" is a Nasoi (local language from Bougainville near Keita) for United.
Pati	Pidgin for party; in this context a political party.
Payback	As the name implies a retaliation for some wrong doing. "An eye for an eye".
Pidgin	A business language used extensively in New Guinea and with some variations in the Solomon Islands and elsewhere. It is not so well used in Papua where Moto is the preferred business language. The use of business languages is easily understood

when you consider there are approximately 700 languages (not dialects but languages) spoken in PNG.

PLA	Panguna Landowners' Association
PNG	Papua New Guinea.
PNK	Papua New Guinea Kina. (approximately equivalent USD1).
Porphyry	Hard rock composed of crystals of red or white felspar in red matrix.
RM TL	Road Mining Tailings Trustee Ltd.
Rorovana	A village group originally from the area now the site of the township of Arawa, just north of Keita.
SHRM	Société de Hotellerie et Ravaillement Maritime. A French based catering company who catered for the Panguna Mine.
Territory	The Mandated Territory of New Guinea. Papua was an Australian Protectorate.
Toboroi	A village group to the north of the township of Keita.
Union	The Bougainville Miners Workers Union.
USD	United States Dollar.

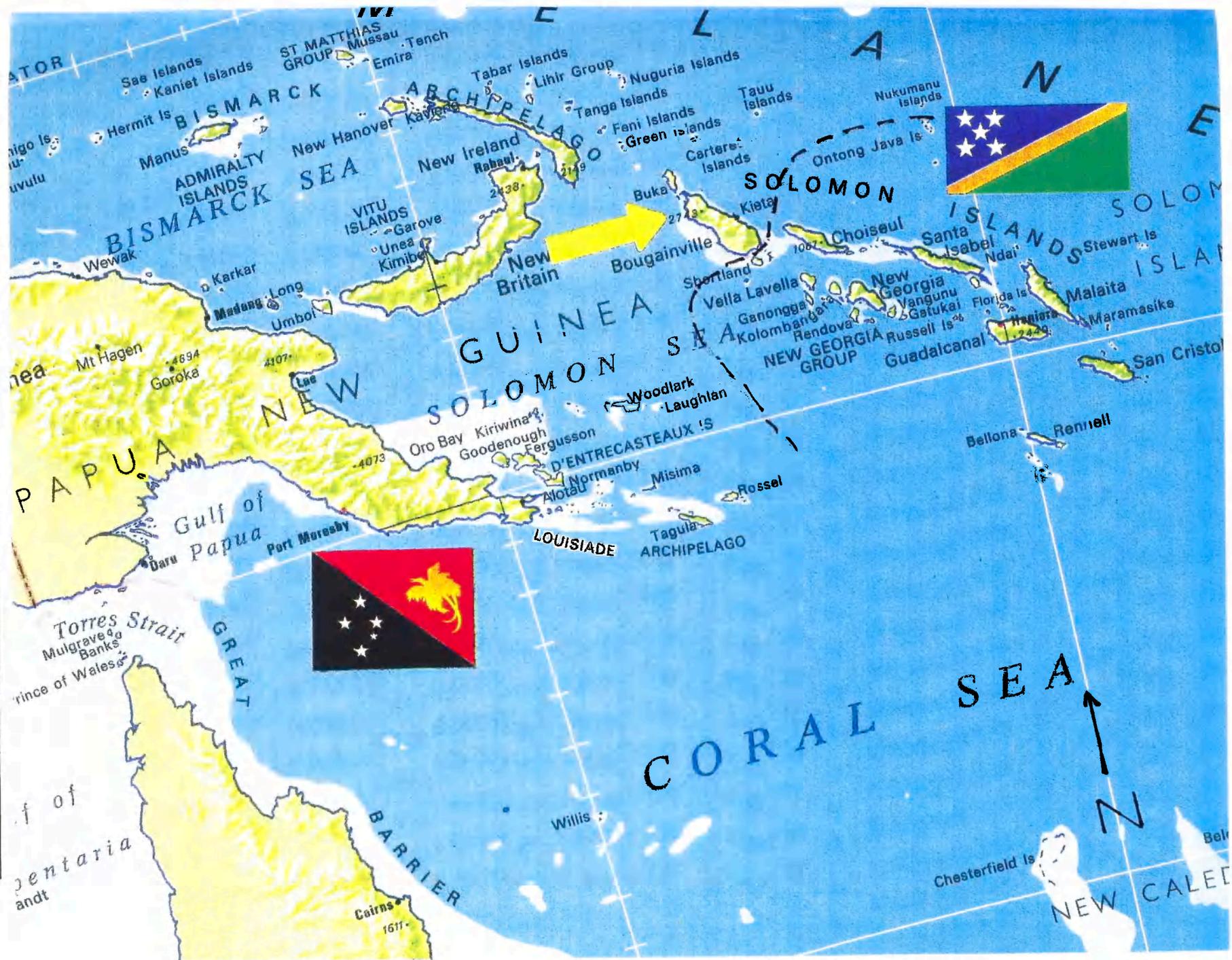
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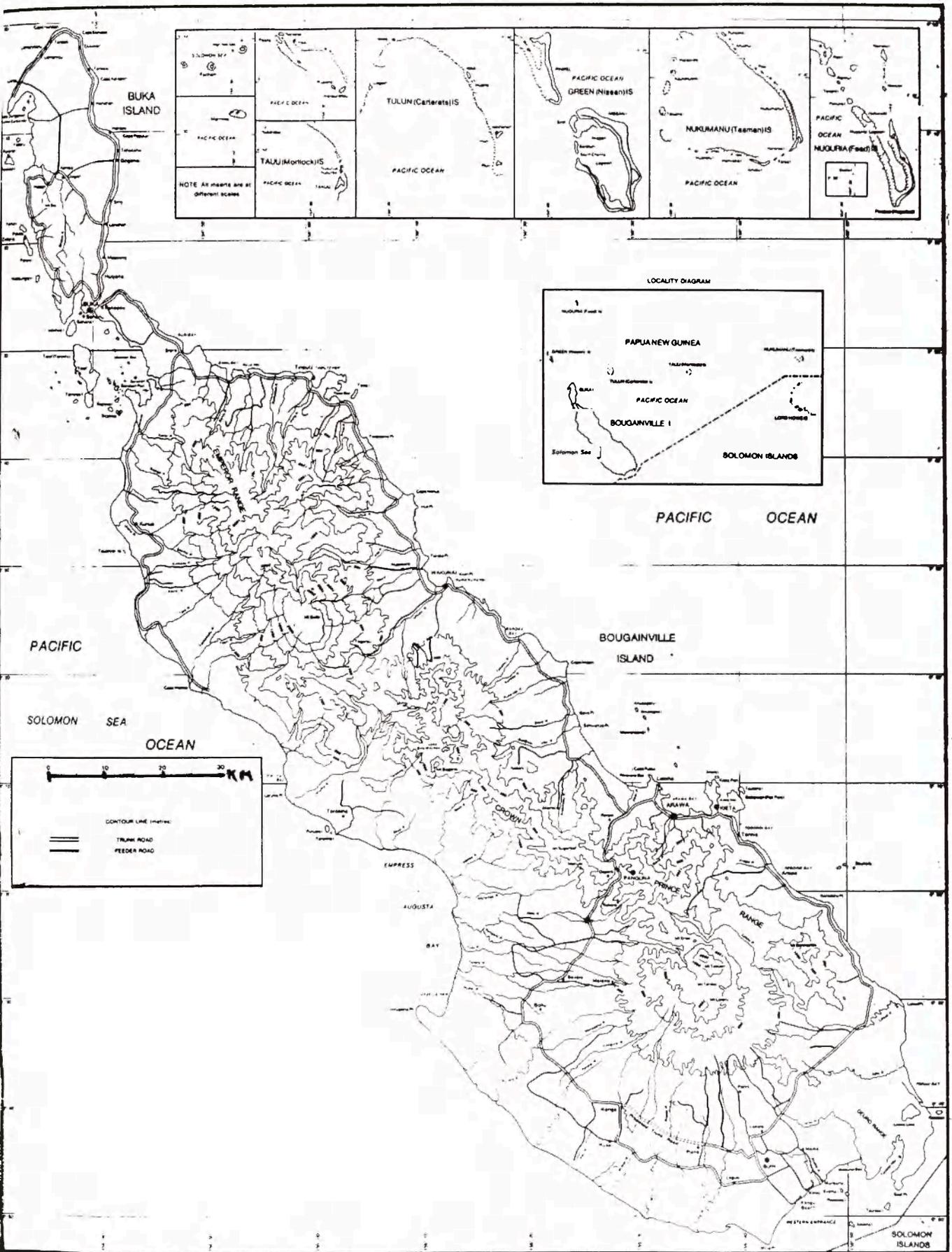
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Location Map - Bougainville



Now the nurses may strike: Story Page 3

Momis' plan for copper giant to pay more to the North Solomons

TAME THE B.C.L. PIG

By ANGWI HRIHWAZI

MELANESIAN Alliance chief Fr Momis is promoting a major initiative — the first of its kind — for Bougainville Copper.

He wants the mining giant to make more direct payments to the North Solomons Provincial Government.

Called the "Bougainville Initiative", the idea is "keeping within the province some of the eda of millions of kina the company earns from the mine every year.

He described BCL yesterday as a "wild pig" that "eats roots, and leaves behind nothing for the people".

Fr Momis wants 3 per cent of BCL's earnings to be paid direct to the provincial government — based on 1986 figures, that amounts to K12 million.

is registered at the South Pacific Post Pty Limited, 1985 Bowd, Port Moresby.

Under the existing Bougainville Agreement — Fr Momis championed its renegotiating in the late 1970s — the provincial government gets only a minimal sum in royalties. It has varied between K3m to K4m in recent years.

The Bougainville Initiative, he explained, would be a totally separate arrangement from the Bougainville Agreement.

It should become a model for application in other provinces as well, he said.

Fr Momis sees his brainchild as "raising the dignity of local people who have been invaded by multi-national corporations".

"While people are asked to make sacrifices for the collective good of the nation, I don't think the nation in return compensates them adequately."

He was critical of the Bougainville Foundation.

"It is not right for Bougainville Copper to set up a Bougainville Foundation and then make hand-outs to help locally-initiated projects.

A rip-off

"It is right and proper for the company to make direct grants to the provincial government," Fr Momis said at a Press conference attended also by foreign media representatives yesterday.

He was speaking upon returning from a hectic campaign tour of the New Guinea Islands region and talks with BCL managing director Paul Quodling.

Asked if Mr Quodling had accepted his new initiative, he said, the company's chief executive was a "very understanding person".

On the Bougainville Development Corporation, he called it a "rip-off".

"The corporation was in a dependency-greedy-grab syndrome created by BCL, where there are many well-to-do Bougainvilleans and other Papua New Guineans who have used the situation to help themselves rather than take the trouble to help develop small-scale and entrepreneurial enterprises."

He said the corporation was a perfect example of a so-called local company set up in the name of the people but was "hijacked by few selfish interests".



What Miriam carry

MEET a dedicated nurse who is concerned on Sister Miriam Bakoy (see page 3) who sees to a child suffering from malnutrition hints at why she is still doing her caring work at Port Moresby General Hospital after two years.

And the 24-year-old nurse from Popondetta says she will carry on caring and encouraging other young girls to do so.

But her union, the PNG Nurses Association, says the job does not offer much more than job satisfaction. To that Miriam agrees.

Her normal working hours are from 7.45am to 4.00pm from Monday to Friday. When the public servants — and now national doctors — go home, Miriam may work from 4.00pm to 10pm or take a break and work from 10pm to 8am. That is if her unit boss has rostered her for on-call duty.

During the weekends she may be on call 24 hours a day.

Community-based nurses may

work more or work load?

Being a ge earns between your. Some more.

What keeps have left for institutions?

Miriam said patients drive.

Nurses Assoc say Susan Hai

"Those nurses led. Those w

left." — Frank

Tasty Bake

all your bakery needs

Pies and Pasties Quality Cakes Hot Bread

OPENING SOON

Post-Courier, Tuesday, June 16., 1987

HOME NEWS 11

Momis? 'He's failed miserably'



Fr Momis:
"Vote-catching"

MELANESIAN Alliance leader, Fr Momis and his "Bougainville Initiative" have come under heavy fire.

The managing director of the Bougainville Development Corporation, Mr Paul Nerau, attacked Fr Momis for criticising the BDC and pointed out certain projects which the Melanesian Alliance had failed to carry out in the last 15 years.

As chairman of the Lalual Hydro Trust, Mr Nerau said Fr Momis and his Melanesian Alliance-led provincial government had not provided clear guidelines for the project since the departure of Mr Leo Hannett's government in the provincial election.

Mr Nerau said: "The Tinputz wharf is another initiative of Mr Hannett's government which has failed to materialise as a

By EURALIA PAINE P. //

result of lack of support from Fr Momis. The mini hydro scheme at Tinputz has been on and off for the last five years and Fr Momis has not lifted a finger to get further funding for the project.

"Fr Momis has failed miserably to find further funding for a chicken abattoir in the township of Buin, which was initiated through him and is now rotting in the bushes."

Fr Momis' latest contradiction was about the purchase of nine North Solomons plantations by outsiders, he said.

"I was involved in the plantation negotiations and Momis's silence makes the 'Bougainville Initiative' a laughing stock and a total contradiction.

"How can Momis justify to the people the loss of these nine plantations from Tolmanapu right up to Konua Keriaka, which represents some 40 per cent of the most fertile land in the North Solomons? These plantations would generate in excess of K2 million a year as long as Bougainville island is still floating."

Mr Nerau dismissed the Bougainville Initiative as "vote-catching", and said Fr Momis had offered no alternative plans to harness economic opportunities.

"Fr Momis has failed miserably in dealing with today's economic, social and political realities in the North Solomons.

"He has seen fit to hire an expatriate speech-writer who does not have the slightest idea about North Solomons politics and economic realities over the last 10 years," he added.

Bougainville Copper's impact on the Economy of Papua New Guinea

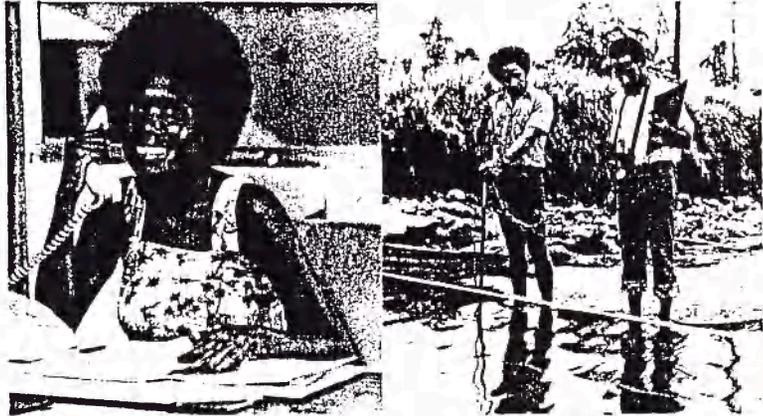
An issue of active debate is the role mining has played in the PNG economy and the extent to which it should be encouraged. As far as BCL's contribution is concerned, one way to look at this is to consider what the PNG economy would have looked like since Independence without BCL. Exports would have been reduced by 45%, Government Internal revenue would have been 17% lower, and the Gross National Product would have been much reduced by the loss of the indirect effects of the Company's operations. It is not apparent that any other economic activity would have emerged to take the place of this contribution.

ship today with North Solomons Provincial Government offices in the foreground.



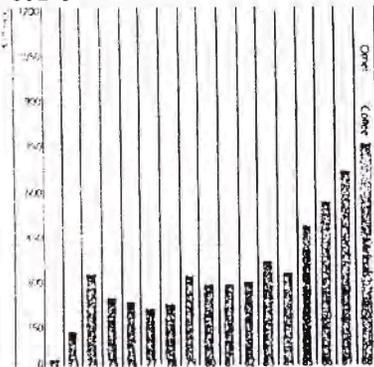
Bougainville Copper is recognised as the major pioneer investor in Papua New Guinea. Since operations commenced in 1972, the Company has provided directly and indirectly, a significant proportion of all wealth created in the Nation. This wealth has underwritten the growth of the Nation since before Independence and the Company is proud of its record of achievement.

Employment



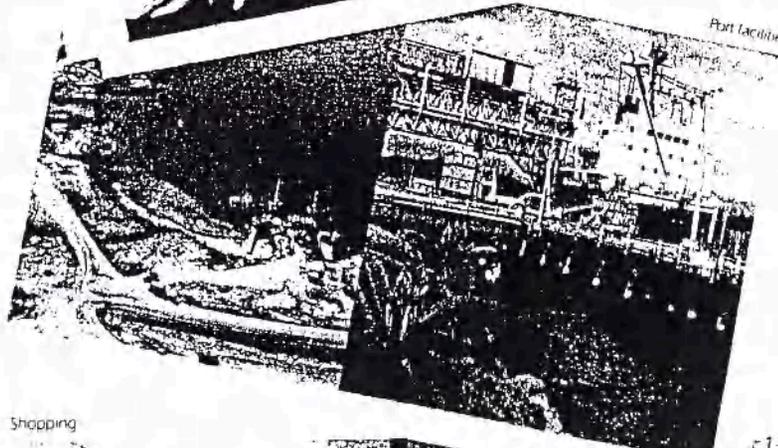
Q. What role does mining, in general, play in the Papua New Guinea economy?

A. For any country to prosper and grow in a 20th century economy it must sell its goods and services to other countries in order to be able to purchase those goods it requires but does not itself produce. From 1972 to 1988, 51% of export earnings came from mining compared to 15% from coffee, the second highest export earner. The graph below gives the details.

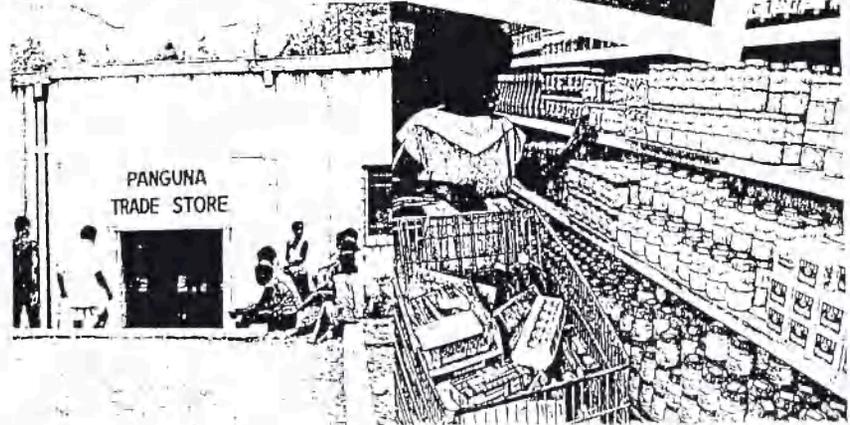


PNG export earnings

Education



Shopping



Q. How has Bougainville Copper directly impacted PNG's economy?

A. Since 1972, BCL has directly contributed almost K1.0 billion to Government revenue. This is about 17% of all Government internal revenue. In respect of 1988 earnings, BCL contributed directly K151 million. This is over 20% of the 1988 PNG Budget internal revenue. In addition, BCL's exports have accounted for 45% of all exports from Papua New Guinea since 1972.

Q. What has been the direct impact within the North Solomons Province?

A. Within the Province, since 1972 the Company has contributed directly K75 million with K7 million in 1988. In addition, the Landowners have cumulatively received K3 million in royalties and K19 million in cash compensation although this must be seen as restitution for losses rather than a benefit of the mining operations.

Q. How much have shareholders earned?

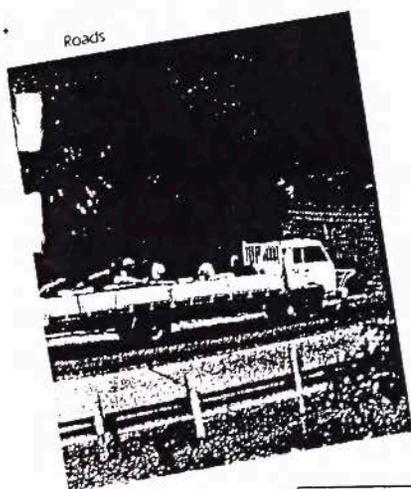
A. CRA (53.6%) and the PNG Government (19.1%) are the major shareholders. On the funds invested, the 1988 profit provided an 18.5% return on shareholders' funds. Since 1972, non-Government shareholders have received K577 million in dividends. Assuming shareholders realised the current value of BCL shares, the original 1972 investment would have earned only a 9-10% return. Comparable Australian Government Bond return for this period would have been close to 12%. ✓

Q. What are the indirect impacts of Bougainville Copper's operation within Papua New Guinea?

The Company provides employment. Current employees pay tax (K113 million since 1972) and spend money; the Company buys goods and services from PNG Companies who pay taxes, employ people and so on; the Company's operations provide training, roads, business opportunities, all of which benefit the National and Provincial economies. ✓

Q. How big is the total economic impact?

A. Flow-on effects are difficult to measure. The 1982 North Solomons Provincial Development Study suggests total wealth created was about 2.5 times earnings with 25% staying in the Province, 45% within the remainder of PNG, and 30% going in overseas payments. Since 1972, the distribution of direct payments was 10% to Landowners (including compensation), 5% to the Province, 58% to the National Government, and 36% to non-Government shareholders. An updated and more definitive study is urgently needed so that the full economic impact of direct payments can be better understood. ✓



Q. Do the Landowners get a fair share of the benefits?

A. The Company has paid K19 million by way of compensation for losses and disruptions suffered by Landowners since 1972. This amount of restitution is well in excess of amounts required by legislation, but should not be regarded as a benefit. The only direct benefit from the Company is the Landowners' K3 million share of royalties. Other benefits flow indirectly from the spin-off effects of the Company's operations, such as works programs, employment and business opportunities; and indirect payments and services provided from the Provincial and National Governments. Whether the Landowners' share of benefits is adequate is a matter of current public debate. ✓

Q. How much money does Bougainville Copper Limited pay to local contractors and suppliers?

A. In 1988 over K30 million was spent on locally supplied services. In addition to this, all of Bougainville Copper's employees would have spent part of their earnings on locally supplied goods and services.

Q. What tangible evidence is there to show improvements on Bougainville since the commencement of mining?

A. The pictures tell part of the story. For example, Arawa has changed from a plantation to a modern community:

Employment	Health
Education	Power
Port facilities	Agriculture
Shopping	Transport
Training	Roads

Q. How does the Espie Highway that links the mine with the port and Arawa township benefit the Bougainville residents?

A. The Espie Highway was built by the Company at a cost of K15 million. At today's costs, it would cost K50 million. It is maintained by the Company at an average annual cost of K1.0 million. Obviously, the road is of most benefit to Bougainville Copper Limited. However, community benefit is substantial as it gives safe, all weather access to villages in the rugged heart of Bougainville and provides the only cross-island link to Government roads to the west and south of the Province.

Q. Does the Company provide significant employment for Papua New Guinea citizens?

A. Bougainville Copper Limited provides direct employment for 3 560 employees:

National employees	2 669
National apprentices	281
Expatriate employees	610

Of the 2 950 national employees, 1 027 come from Bougainville.

In addition, local contractors wholly dependent on servicing Bougainville Copper's requirements employ about a further 1 200 with many others being employed as an indirect consequence of the Company's presence.

Q. Does the Company do enough to train its national employees?

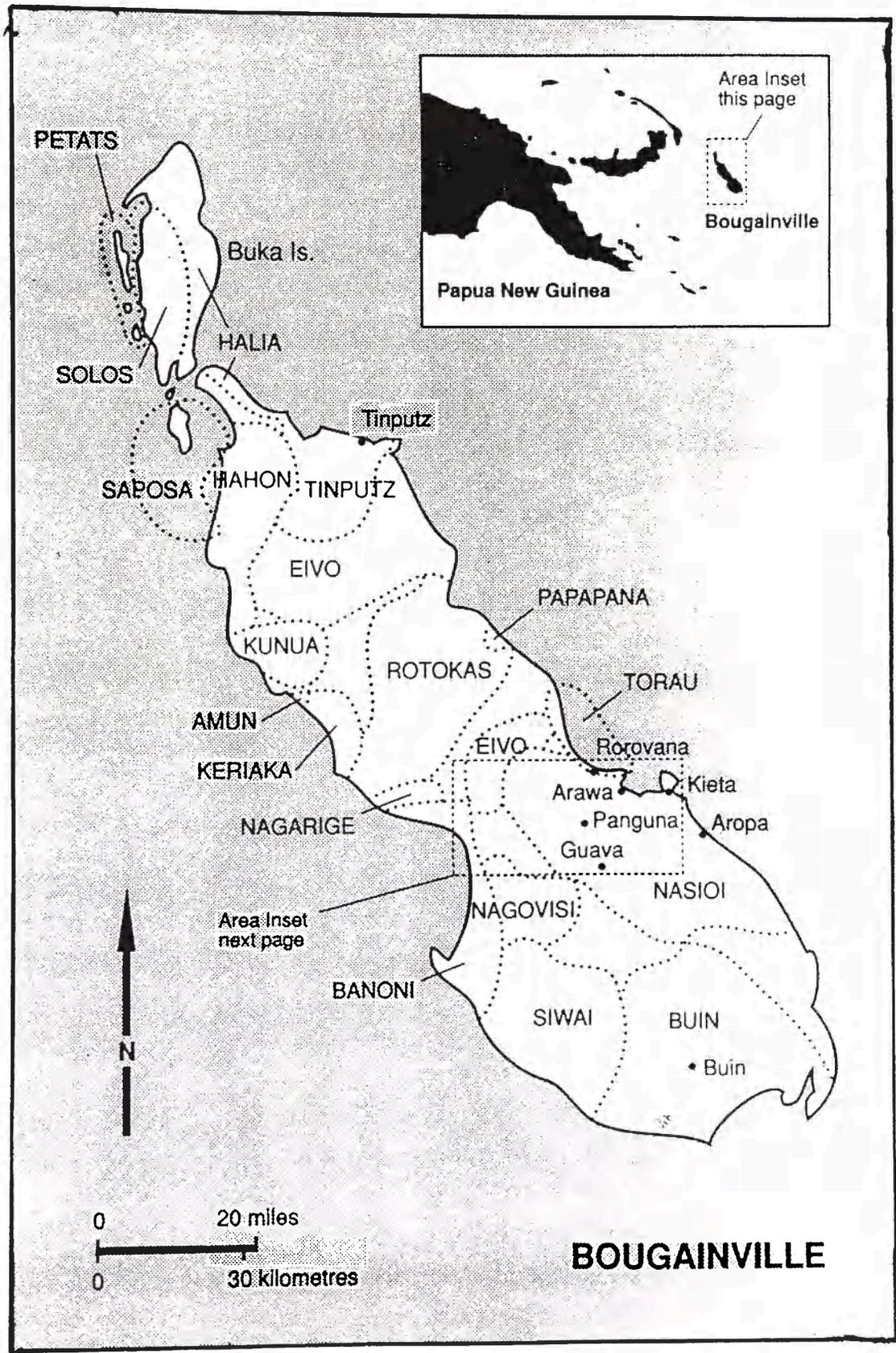
A. Bougainville Copper employs 84 full time training staff and has a Mine Training College with facilities second to none. Since 1972, over 17 000 certificates have been earned by employees who have successfully completed training both at home and away from Bougainville. In 1988, 1 900 qualifications were completed by employees at a direct cost to the Company of K7.4 million. Several hundred citizens trained by Bougainville Copper have ventured into their own businesses or moved to other employers to contribute to the future prosperity of Papua New Guinea.

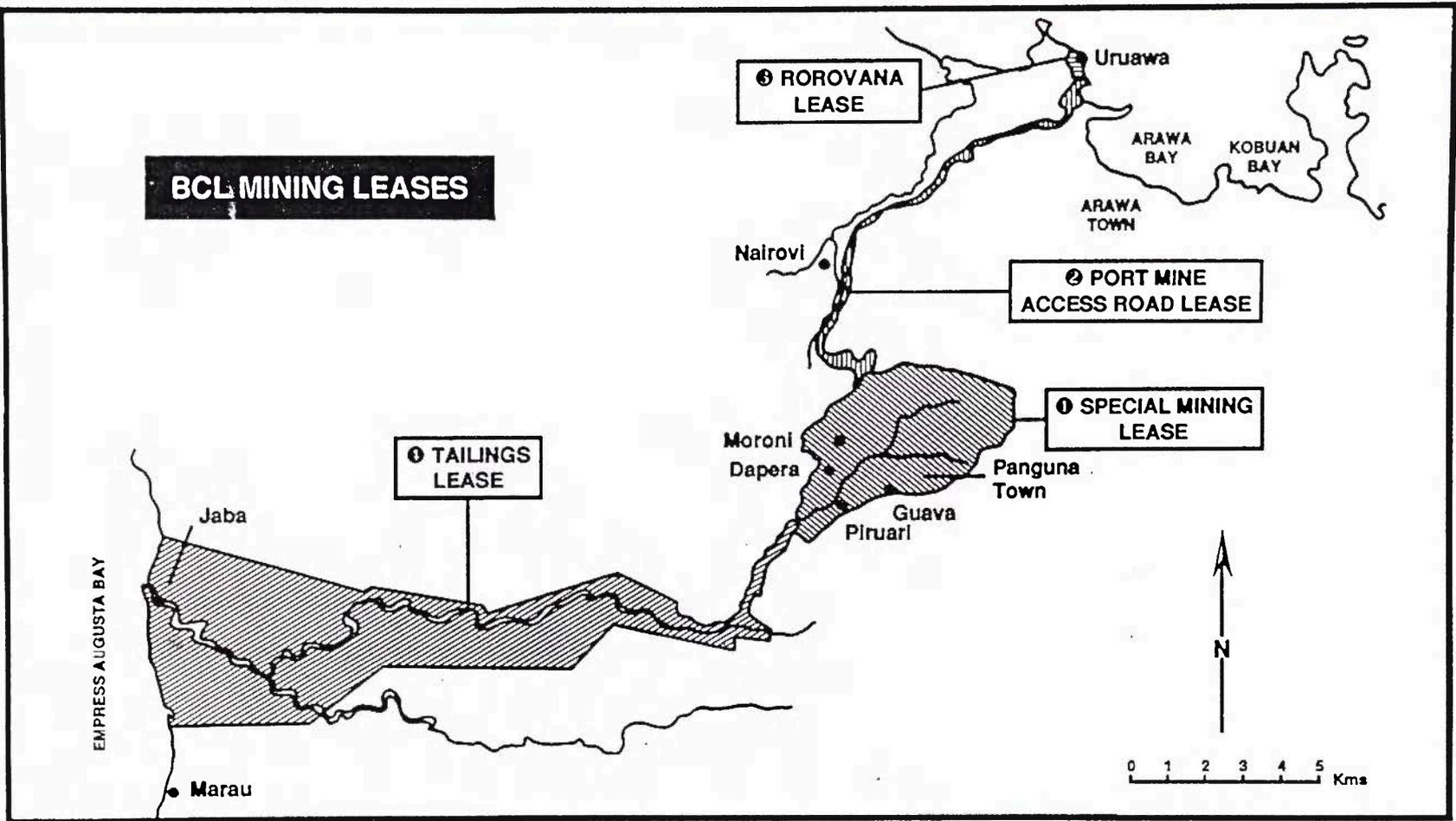
Q. Has Bougainville Copper provided any other long lasting benefits to the economy?

A. The Bougainville Copper Foundation was established by the Company in 1971 to provide ongoing community benefits. The Foundation is now largely self funding and encompasses the following activities:

- North Solomons Medical Centre
- North Solomons Agricultural Foundation (crops, pig farming, poultry and egg production, stock feed, and agricultural advice)
- Scholarships
- Community and welfare donations.

Places / Languages from Oliver, (1973)





FANGUNA LAND OWNERS ASSOCIATION
 P.O. Box 1108, PANGUNA
 N.S.P.
 5TH ~~MAY~~ APRIL 1988.

THE MANAGING DIRECTOR
 BOUGAINVILLE COPPER LTD.,
 PANGUNA

DEAR SIR,

OL DISPELA HIA EM I ASKIM BILONG OL LAND OWNERS NA EM
 OL I AS TRU BILONG OLGETA PETITION, YU WANTAIM SAVAMENT
 I KISIM PINIS LONG IITH DEI BILONG MIN MAS 1988.

1. HUSAT TRU I BIN GO LONG MELBOURNE (AUSTRALIA) LONG OL
 PAPA BILONG GROUND LONG SANNIM AGREEMENT BILONG WOKIM
 COPPER MINING HIA LONG PANGUNA?
2. HUSAT TRU I BIN GO PAS LONG KATIM MINING LEASE BOUNDRY
 INSAIT LONG OL GROUND BILONG MIPELA? OL PAPA BILONG
 GROUND OR YU COMPANY YET?
3. HUSAT TRU I BIN GIVIM YU TOK OLRAIT LONG BRINGIM OL WOK
 MAN/MERI BILONG NARAPELA PROVINCE NA AUTSAIT KANTRI IKAM
 INSAIT LONG OL GROUND BILONG MIPELA?
4. HUSAT MAN I BIN GIVIM YU TOK OLRAIT LONG WOKIM OPEN CUT
 MINING NA BAGARAPIM OLGETA SAMTING BILONG MIPELA INSAIT
 LONG OL GROUND LONG PANGUNA?
5. HUSAT MAN TRU I BIN MAKIM OL DEI BILONG OL BAGARAP YU
 BIN KAMAPIM LONG INSAIT NA AUTSAIT LONG PANGUNA?
 LONG OL SAMTING DICEM: - WARA. FISH. STONE. BULU. DIWAI BAWILA

6. ANTAP LONG OL DISPELA FIVE (5) PELA ASKIM OL PAPA NA MAMA BILONG GROUND I LAIK TOK-AUT OLSEM :-
- (A) YU BAGARAPIM SINDAUN BILONG MIPELA PINIS NA TU OL TUMBUNA BILONG MIPELA LONG OL TAIM IKAM INAP LONG EN BILONG WOL .
- (B) MIPELA I BIN RICH TRU BIPO YU STAT LONG WOKIM COPPER MINING LONG OL GROUND BILONG MIPELA . HAU YU MEKIM MIPELA I POOR TRU, LONG WONEM YU BAGARAPIM OL KAIKAI, ABUS NA PLANTI SAMTIN MOA INSAIT NA AUTSAIT LONG OL GROUND BILONG MIPELA EM MIPELA I SAVE KISIM FRI TASOL .
- LONG OL DISPELA HEVI MIPELA EM OL PAPA/MAMA BILONG GROUND I LAIK BAI COMPANY I MAS BAIM OLIETA RESOURCES EM YU BIN BAGARAPIM LONG GROUND BILONG MIPELA STAT LONG YAR 1963 IKAM INAP LONG YAR 1988 . LONG MONI INAP OLSEM: TEN BILLION KINA.

7. ANINIT LONG TOK ORAIT BILONG PEI (K/10 BILLION) BAI MINING LONG PANGUNA INAP LONG GU HI YET WADITAIM OL TOK ORAIT HIA :-
- (A) BCL MAS BAIM 50% LONG OL WIN MONI LONG OL WAN, WAN YAR IKAM 190 LONG PAPA BILONG GROUND NA GOVERNMENT BILONG BOUGAINVILLE .
- (B) LAND OWNERS ASSOCIATION I MAS SAVE GUT LONG OL NUPELA WOK KAMAP BILONG BCL BIPO LONG OL WOK I GEN STAT .
- (C) BCL BAI KAMAP COMPANY BILONG OL PAPA BILONG GROUND NA OL PIPOI BILONG BOUGAINVILLE BIHAIN LONG FIVE (5) PELA YAR .

8. COMPANY I MAS BEKIM OL DISPELA TOK TOK N° 1 INAP LONG N° 7 INSAIT LONG FOURTEEN (14) DEIS TASOL .

EM TASOL , TENK YU .

C.C. MINERALS AND ENERGY MINISTER

C.C. PREMIER OF N.S.P.

Pionora

J. D. O.

Panguna Land Owners
Association
P O Box 1108
PANGUNA N.S.P.

5th April, 1988

The Managing Director
Bougainville Copper Limited
PANGUNA

Dear Sir,

Here below are the questions from the landowners which are the basis of the petition given to you and the government on the 11th day of March, 1988.

1. Who was the representative of the Land Owners who had gone to Melbourne (Australia) to sign the Agreement which allowed copper mining operation in Panguna?
2. Who led the surveyors to mark the mining lease boundary on our land? Was it the landowners or the Company itself?
3. Who authorised you to bring people from other provinces and countries on our land?
4. Who authorised you to employ open cut mining which had resulted in the destruction of our environment?
5. Who set the rate for payment of compensation for loss of our river, fish, stone, bush, trees and land in and around Panguna?
6. In addition to the five (5) points mentioned above, we the land owners declare as follows:
 - (a) You have destroyed our living and of our ancestors throughout the life of the mine.
 - (b) Prior to commencement of mining operation on our land we were very rich. Now you have made us very poor, because you have destroyed our food gardens, hunting grounds and many natural resources we receive freely.

Because of these difficulties, we the Land Owners demand that the Company pay for all the resources that you have destroyed on our land commencing in 1963 and up to 1988 in the sum of Ten Billion Kina.

7. Under an agreement to pay (K10 Billion), the Company will be allowed to continue its operations provided:
- (a) that BCL pays 50% of all its profits gained each year to the land owners and the government of Bougainville.
 - (b) that the land owners association is consulted prior to establishment of any new projects.
 - (c) that BCL will become a local company of the landowners and the people of Bougainville after five (5) years.
8. The Company must answer to petitions 1 to 7 within fourteen (14) days.

That is all, thank you.

cc. Minerals & Energy Minister

cc. Premier of N.S.P.

(signed)

(signed)

8 CONCLUSIONS AND RECOMMENDATIONS

8.1 INTRODUCTION

In the previous sections of the report we have described in detail the work undertaken to complete our review of BCL's operations. Conclusions and recommendations have been made throughout this report, a style of presentation that seems to us most workable in a large and complex study such as this and where the conclusions are derived from discussion and analysis of technical questions. The conclusions (as impacts) are restated below, classified by type and severity. Other conclusions and our recommendations are then discussed.

Simple statements of the impact of mining on the Panguna area and its landowners are quite inadequate an explanation for the very strong feeling the landowners hold. These are complex questions deserving some discussion.

The impact on the physical environment of the mine has been extreme by any measure and most of the adverse impacts are long lasting; in some cases permanent. It is important to emphasise that these have been made legally, for the most part, subject to the BCA. They were permitted, even to some degree encouraged, by the Australian Administration initially and then by the Government of Papua New Guinea. On a national scale they have been judged an acceptable cost for the considerable income that the mine has generated. While the National Government particularly, and the Company, have enjoyed the benefits, the costs have not been borne by them but by the Nasioi people and in particular several hundred local landowners who have lost land and lifestyle. The severity of loss ranges from virtually all garden land for some essentially subsistence villages, to a few hectares of hunting land for others. Lifestyle changes, inextricably linked to land ownership and use, have been similarly affected.

The landowners have received education and health services, improved communication and infrastructure, and earning opportunities as waged workers and contractors and from produce sales. The question facing the Government is whether these benefits are sufficient for its people. Since they are not of a very high standard compared to some parts of the country notwithstanding that they are in many cases a great improvement on pre-mine conditions. Ironically some of these 'benefits' are seen by some as contributions to the destruction of cultural values.

A further dimension to the social impact of the operation derives from the landowners' widespread opposition to prospecting and mining at the outset and the fact that their land was made available by the Administration for mining against their wishes and in circumstances where they were powerless to prevent it. During the early stages of the development opposition from the landowners diminished, in part in recognition of the futility of continuing and in part because the development seemed to offer modernisation benefits such as roads, schools, hospitals, jobs and cash incomes. It is clear that the landowners had expectations that were not met and there are many factors contributing to this. Certainly communication problems (more cultural than linguistic) played a part in this but there were also promises made or benefits alluded to that failed to eventuate. Education was received, money earned but seldom was significant wealth forthcoming. Most of it ended up in the hands of mine workers, other Bougainvilleans or the Company store although a few landowners became wealthy. Compensation payments and, later, royalties were significant sources of cash in the early stages but in comparison with benefits others were receiving, they were soon judged to be inadequate.

Claims for compensation by the villagers directly affected by mining have been a continuing source of disharmony between these people and the Company and more recently the Government. The Company has established and maintained a compensation policy based on well publicised guidelines and quite a lot of money has been paid by the Company in one form or another over the years. The casual observer might question whether the escalating claims do not represent an attempt by the villagers to extract as much money as possible from the Company using increasingly obscure demands. Indeed this appears to be a widely held view amongst the Company staff. While there is an element of this in the compensation claims, this view of the situation does not hold up under examination although the Company may reasonably believe that it should not be the only contributor to compensation and in some instances it appears that it has been dissuaded by the National Government from increasing payments.

The compensation payments need to be identified for what they are. Most are no more than a redress for immediate loss of produce from the land. Only for some is there an element of compensation for permanent loss. Others are a relocation cost where roads and villages are repositioned to suit the Company's plans. There are important distinctions between these types of compensation that are not clearly identified. Few if any of these payments convey a benefit to the recipients in the sense that they profit from the mining.

We believe the continuing claims for compensation in one form or another are a symptom of a problem rather than the problem itself and that there is a great deal of justice in many of the villagers' demands. Some important facts need to be acknowledged by all parties before this complex question can be satisfactorily resolved, although we doubt that a solution exists that will satisfy all parties. The key factors are:

- (a) the importance of land to the individuals involved. This is best illustrated by the following quotation cited earlier in the text (Ref. 64):

'Land is our life. Land is our physical life - food and sustenance. Land is our social life; it is marriage; it is status; it is security; it is politics; in fact it is our only world. When you (the Administration) take our land, you cut away the very heart of our existence. We have little or no experience of social survival detached from the land. For us to be completely landless is a nightmare which no dollar in the pocket or dollar in the bank will allay; we are a threatened people.'
- (b) the loss of the land and water resource - the National Government (in fact its predecessor the Administration, but in an agreement that has been ratified by the National Government) has issued a lease over this land to a private company, giving it rights to conduct certain activities which include laying large areas of land waste, making river water unusable and polluting the coastal waters;
- (c) the land holdings of some villagers have been significantly decreased - the area of land suitable for gardening, owned or customarily used by Dapera and Moroni villages has decreased by perhaps as much as 90%. Other villages have lost arable land;
- (d) alternative land is not available - some clan groups and families have no land away from the mine to move to and have no option but to live in the close vicinity of the mine, suffering all the disruption and inconvenience that entails. Again these are the villagers from Moroni and Dapera.

- (e) the permanent loss of food and materials - land occupied or laid waste by the mine has removed for all time an adequate source of traditional foods and materials for the landowners. Gardening on the remaining land cannot sustain these people because the land is too steep and infertile or because increased crop rotation leads to smaller and more disease-prone crops. Population increases have added to this problem.

These factors are presented in the most straight forward terms without reference to many other important considerations that might be generally termed cultural concerns. These include loss of contact/connection with ancestors through destruction of cemeteries, the land they occupied, and the feelings of having betrayed the trust of both past and future generations as a result of ceding the land. Loss of cultural values associated with the traditional lifestyles is another important consideration.

The questions that arise are how can these people be compensated for their loss, and who is responsible for delivering this compensation.

It is important to remember that the tailings and dumps cover much larger areas and are in different locations to those originally planned by the Company or agreed to by the Administration. Probably more importantly the scale of the whole development and its physical and social impact has been much greater than could be conceived by any community unfamiliar with mining. As the mine and the extent of physical damage increased and the anticipated benefits remained undelivered the landowners' frustration and anger have grown. The compensation payment system quickly became the focal point for all real and perceived grievances against the Company and the Government. Meetings to discuss, or more often dispute, sources or quanta of compensation became virtually the only forum for communication between the parties. As time went on, the often slow and apparently ungenerous response by the Company to requests by the landowners for additional compensation and improved services seemed to them insulting and at times deceitful and we note with regret that this review and report has been prejudged in much the same way. This is because it appears to the landowners to be yet another excuse for delaying delivery of recognition and payment for their loss and for what they believe to be a rightful share of benefits from the mine profits.

8.2 MINE CLOSURE

The Panguna mine is an efficiently run, relatively low cost mine which is capable of continuing to operate profitably until at least the year 2001 if metal prices and mining costs remain relatively stable. The Company has reasonable control over the majority of its costs but not over metal prices. Early closure, in as few as five years, cannot be ruled out if prices fall rapidly. On the other hand if the Company were able to explore the nearby leases, as it strongly wishes to, a new ore body may be found to extend the useful life of some or all of the infrastructure at Panguna.

Thus for Panguna town and perhaps the mill and concentrator a set of future options can be considered as follows:

- (a) premature close-down due to falling prices - say 5-6 years;
- (b) exhaustion of present Panguna ore body and no additional ore - say 12-15 years;

- (c) additional nearby ore allowing extended life of facilities - say 15-30 years.

Irrespective of which scenario is followed, the Panguna pit, the waste dumps, the tailings in the Kawerong and Jaba rivers and the delta, and the modified valley drainage in the tributary streams and rivers will remain. Rehabilitation and revegetation of these areas are a responsibility of the present operation. It will be a time consuming process for which active planning and early implementation is required.

Stabilisation of the area may take tens of years, rehabilitation much longer. It will never be fully repaired. This was understood at the outset by the Administration and the Company (but almost certainly not by the landowners) and is an acknowledged cost of such large scale mining everywhere it takes place. The question now is how much cost and effort is to be put into rehabilitation activities, some of which will show little return and how much into more productive enterprises that will survive beyond the mine. Again there is the question of who pays the costs and who receives the benefits. The land-owners argue that this is the time for the Company and National Government to address this constructively. (A real inducement for the Government and the Company must surely be to win the confidence and support of the landowners for further prospecting in the moritorium areas. It is principally their anger at the treatment they have received and the lack of acknowledgement of the high cost they have paid with loss of land for what they perceive (in many cases justifiably) as relatively insignificant benefit that fuels continued opposition to further exploration.)

In 1971 when the original DOTA Agreement was written the Administration and the Company clearly indicated their intent as follows:

- (a) to keep the weathered rock in the upper parts of the waste dumps to encourage vegetation growth, and to actively establish vegetation;
- (b) to dispose of the tailings in such a way as to enable re-use of the land at the earliest practicable date;
- (c) to undertake investigations and planning aimed at progressive revegetation of the tailings;
- (d) to keep the soluble copper content of the tailings to a level that would protect vegetation and animal (including fish) life.

This intent was probably as strong an environmental constraint as was put on any mining company anywhere 20 years ago. However it is now 1988, standards have changed and mining companies in most places now would accept these intentions as minimum requirements and ensure they were carried out. At this time it is hard to see how these can all be accomplished. This would apply to all areas physically disturbed by the operation, although the Pinei Valley has been substantially rehabilitated already. What is now needed is active planning for mine closure. Planning must include social as well as physical concerns.

Between 35 and 50 million tonnes of overburden and weathered rock is outlined for removal over the next 15 years and some of this material could be made available for spreading over the waste dumps.

Establishing a stable medium and long-term bed for the Kawerong and Jaba rivers is a high priority. The Company has investigated this and we believe that a

firm proposal should be developed and agreement reached between the Government and the Company for early implementation. Attention needs to be paid to the flow from minor tributaries, many of which have backed-up to form swamps or ponded bodies of water. The plan should include the provision of good access across the rivers at the present locations or suitable alternatives negotiated with landowners.

In the Kawerong Valley and the Upper Jaba Valley there is, we believe, an additional and more pressing requirement for the time when mining ceases. When the mine stops operating compensation and royalty payments cease. For some landowners who have clan or family links into other areas, alternative land is available from which to earn an income or at least maintain subsistence agriculture. For a few people their land does not exist any more. Some of these people have lost all or most of the productive land, others only some of it. As we have pointed out earlier, compensation payments to date have been calculated and paid at a rate consistent with loss of income from the land not for loss of the land itself. The landowners in most cases have made no provision for the future when they had neither land nor compensation or royalty, even if they had understood the need for it; nor has there been realistic opportunity for them to provide for it. Planning for mine closure must address this. (The Road Mining Tailings Lease Trust Fund is set up and managed to secure income beyond mine closure but payments as income to the beneficiaries cannot be made.)

A possible long-term source of income could be copper extraction from the dumps if a low maintenance low technology process such as cementation could operate effectively. Such a scheme could be investigated by the Company. Scrap iron for use in the plant should be in abundance when the mine closes.

Other possibilities include commercial scale fish farming, using high value species such as barramundi that could be air freighted as frozen fillets. There may be suitable land on the tailings which could be gravity fed with water from the Jaba River above the pump station. Both this and the copper extraction from the dumps could commence before the mine closes if they are technically and economically feasible. Elsewhere we raise the possibility of small scale hydro-power generation from the eventual mine lake and crushed rock production for roading.

8.3 SUMMARY OF IMPACTS

8.3.1 Long-term ecological damage

8.3.1.1 The Kawerong-Jaba river valleys

If present engineering predictions are correct the Kawerong and Jaba rivers will down cut as the supply of tailings is reduced. It will take many years to attain a stable channel and for the remaining areas of tailings to stabilise and revegetate. Copper is likely to continue to leach from them for many years. The water and fish resources of the Kawerong River and the Jaba River below its confluence with the Kawerong, have been lost for probably several generations. The unstable flow of water, high sediment loads and unacceptable water chemistry deter fish from migrating to the upper Jaba River system. There is some hope of recovery for the Pangara River but it will be a long slow process unless an innovative solution, such as diversion directly to the coast, is found. When the water quality in the Jaba and Kawerong rivers does eventually improve to allow fish to return it is likely that local people may continue to avoid using the water because of lingering suspicion.

The forests that once occupied the Jaba Valley are unlikely ever to return. The substrate and physical character of the tailings deposits are foreign to the vegetation of the upper Jaba Valley and the future vegetative community on the tailings is likely to be unique to the area. Perhaps, this plant community will eventually contain useful species or provide a useful habitat but it is not possible to predict how long this will take.

The tailings have dammed most of the tributaries which once flowed into the Jaba River. About 120 ha (BCL estimate) of ponds have formed behind the dams providing habitat for mosquitoes. Where the water table has been raised, trees have died. In the longer term, if a single channel establishes in the tailings it will cut down and so allow the tributaries to do the same. In time if this happens the ponded areas will disappear.

8.3.1.2 Empress Augusta Bay

The central bay is now dominated by a delta of tailings approximately 900 ha in area. This delta will eventually revegetate, depending on sea level changes but the new tailings disposal scheme will dramatically alter the existing form of the delta and so delay the natural process of revegetation. This will be a vast area about six times the size of the present tailings delta which will erode only very slowly and will continue to produce copper leachates. Over about half the area of Empress Augusta Bay, the animals that once lived on the bottom sediment have been either buried by tailings or killed by copper. It is difficult to imagine how the discharge from proposed tailings pipeline at the coast can improve the present almost sterile state of the bottom sediment.

Evidence collected to date indicates that there has been no major impact on the fish resource of the Bay and a convincing theory has been proposed to explain these observations. However the theory has not been proven and there remains the possibility that the situation will change. There is circumstantial evidence implicating the discharge from the Jaba River in the present 'ulcerative' fish disease affecting sea fish of the western and southern coasts of Bougainville. This cannot be proven but there is good reason for suspicion.

The chemical impact of the tailings from the pipeline could be more pronounced than is that of the present discharge from the river. The tailings will reach the coast a matter of hours after they leave the mine and little degradation and no dilution will occur.

8.3.2 Permanent changes to physical environment

8.3.2.1 The pit and waste rock disposal areas

The pit now occupies almost 400 hectares; the proposed 10 and 15 year extensions will occupy approximately 560 ha and 650 ha respectively. This land is lost forever. Irrespective of any deliberate revegetation the land is unlikely ever to regain any significant productive value. Eventually, either as a result of deliberate action or by natural processes, the drainage adit will become blocked and the pit will fill with water to a level determined either by geohydrological conditions or by the lowest point on the pit rim. The lake so formed may have ecological value if designed carefully. An opportunity to use the lake for small scale electric power production utilising the present drainage adit is worthy of investigation. This could supply the Panguna area and nearby villages after the mine has closed.

The waste rock dumps presently occupy approximately 300 ha and, if mine life extends a further 15 years, may occupy a total of approximately 550 ha. The

1987 DOTA agreement requires the Company to cap the dumps with a layer of the more weathered rock prior to commencing revegetation. The Company is not stockpiling suitable capping material and we were advised that they had no intention of doing so. If that policy remains unchanged the Company will not be able to cap the dumps in accordance with the agreement. This land will have virtually no productive value for several generations.

This situation could be avoided to some extent if stockpiling, spreading and conditioning of weathered rock and soil is undertaken. Alternatively, some commercial or industrial use could be made of the flat land resource. A small crushed rock plant could be established based on the hard rock dumps to provide a small industry after mining ceases.

8.3.2.2 The tailings areas

Approximately 3000 ha of the Jaba Valley inshore from the original coastline is occupied either by tailings or flooding caused by tailings deposition. The tailings delta occupies approximately 900 ha of Empress Augusta Bay offshore from the original shoreline. The onshore deposits represent 3000 ha of lost land. If the Company and the Government continue on their present agreed course, the Company will attempt to stabilise and revegetate the majority of the onshore tailings area. There is as yet little evidence that the Company can either provide long-term stability in the tailings area or revegetate tailings under the conditions likely to prevail over much of the area. Where revegetation of the tailings is successful the vegetation will have very little productive or subsistence value. There is little evidence at this stage that the vegetation established by the Company will develop to an ecologically viable self-sustaining community.

While the present delta revegetates naturally where it is stable the proposed tailings stacks are likely to be very much less stable, subject to channelisation and much of the area may be unsaturated and subject to the problems associated with low pH.

8.3.2.3 Infrastructure

The mining project dramatically speeded up the pace and extent of urbanisation, with the creation of two new towns, Arawa and Panguna, and the construction of a major highway between them. In some respects, despite an increase in law and order problems, new service facilities at Arawa (hospitals, schools, commercial facilities etc) have improved the quality of life of a large proportion of the population of the Province. Panguna and, to a lesser extent, Arawa will become 'ghost-towns' on the closure of the mine, although many of their facilities will have a much longer life. When the leases expire many of the improvements on the land may become the property of the landowners. Although much of the mining related infrastructure is likely to be removed by the Company there is an opportunity to leave behind some buildings and roads of real value to the landowners.

The future of these towns, and especially Panguna, will need to be examined by the Provincial Government in association with the traditional landowners and the National Government and BCL.

8.3.3 Impacts affecting quality of life

The smell of process chemicals in the Kawerong Valley is a constant reminder to the local people that the mine is discharging chemicals into the environment. Irrespective of the actual hazard associated with these chemicals (it is quite small) their presence signalled in such an obvious and offensive way does

nothing to calm the suspicions of the people. The tailings and Kawerong River water through which there is little alternative for some to walk are alkaline and abrasive and this may aggravate sores and delay healing.

Dust is seen as a threat to health and crops. Although we doubt that this is a serious threat we must realise that the landowners have not had the exposure to dust that those in less well vegetated countries have had and this may contribute to their fears. The Dapera and Moroni village sites are certainly more dust-prone than other villages elsewhere in the lease areas. The closeness of mining operations also inconveniences villages in other ways, such as noise (primarily from blasting) and the presence of 'strangers' who are not always welcome. Although none of these problems is as great as in many urban areas, they have not been freely chosen by villages populations.

Throughout the mine-affected area traffic has greatly increased, in many cases from nothing, and traffic accidents have similarly increased and caused concern, especially in villages such as Pakia where vehicle speed is often excessive. Roadside litter has also become a problem in these areas. In some areas, especially along the northern bank of the Jaba River, access to villages has been hindered by the deposition of tailings which provide an uncomfortable and sometimes dangerous access to the road for which there is no alternative.

8.3.4 Employment, social services and infrastructure

The construction of the Port-Mine Access Road from Arawa to Panguna, and beyond to the Jaba River, significantly improved access to services and markets for all the mine-affected villages and for the whole of South Bougainville. In many respects this has been the least controversial and most wide-ranging benefit from mine operations. In the mine-affected area this has meant that access to education and health services is significantly better than in many other parts of Bougainville, and a very considerable improvement on the pre-mine era. The construction of the power station at Loloho has been a substantial benefit to ELCOM through the supply of electricity at reduced cost.

Although there have been improvements in infrastructure and services throughout the mine-affected areas, these gains have been at the expense of a decline in some elements of the quality of life in the resettled villages. To various extents the villages of Dapera, Moroni, Pirurari and Kuneka, have lost much of their land and, consequently, their traditional livelihood. The increased availability of jobs and compensation payments cannot wholly compensate for these losses and, especially around the mine lease area, this situation will considerably worsen on the closure of the mine.

Mine construction contributed to a significant expansion of the labour market for both skilled and unskilled labour, at the mine, in ancillary industries, in new services and in administration. Formal sector employment increased many times in the early part of the mining era although in the 1980s there has been virtually no expansion in this sector. A significant part of the new employment, especially with BCL, is of expatriates and of citizens from outside the Province though the proportion of Bougainvillean employment at BCL has grown to 29% of the total.

Increased income from employment of various kinds (and from the contemporary expansion in cash-cropping) has contributed to the growth of the service sector, and there has been an expansion of trade store activities in the villages. Other larger businesses in the mine-affected area have developed specifically under contract to BCL. Although several of these provide a significant level of employment and incomes none is viable beyond the life of the mine.

A very high proportion of the increased employment generated by BCL is so linked to the mine that the closure of the mine will result in a substantial decline in formal employment in Bougainville. Although this will lead to out-migration from the Province it will also precipitate an employment crisis in Bougainville, especially if population growth continues at the present high rate.

Increased levels of personal income have occurred throughout the mine-affected area, enabling households to exercise greater freedom of choice over their pattern of consumption. Such incomes, whether as wages or compensation payments, are tied to mine-related activities and are not likely to be sustained at those levels when the mine closes.

Health services have improved considerably overall but mostly in Panguna and Arawa. On balance health has improved in the mine-affected areas, because of superior access to services and incomes, but there have been increases in the extent of accidents, obesity, asthma and possible cancer. Elsewhere in the lease areas improvements are needed. Only the first of these can be directly attributed to the presence of the mine; the others are related to changing social conditions attendant on urbanisation. Nutrition has generally improved although the diet in resettled villages such as Dapera, now shows grounds for concern. High levels of alcohol consumption by some also point to the disruptive influence of extremely rapid modernisation.

8.3.5 Other changes

Many changes have taken place in Bougainville during the mining era that have no direct relationship to mining activities. Such changes include the independence of Papua New Guinea, the establishment of the North Solomons Provincial Government, an accelerating population growth (although mine incomes and new health services have some influence on this) and increased cash-cropping, especially of cocoa. The last two trends have placed considerable and increasingly pressure on land resources, and show no sign of diminishing.

Other changes have occurred in recent years that may have some indirect relationship to mining activities.

The mine and related activities have contributed to accentuating the pace of monetisation and modernisation and the adoption of new patterns of behaviour. In most respects, such trends were largely established before the mine began, yet accelerated modernisation has caused some stress in village life, contributing to friction between generations, new forms of consumption (of consumer goods, including food and drink) and some decline in traditional values. Not all such trends are negative, education is now valued more highly and there is greater communication within Bougainville and beyond. Industrial development wherever it occurs brings changes in lifestyle. People and their produce move further and faster. Diseases of people and plants spread more quickly and health services reduce infant mortality and prolong life.

Despite assurances to the contrary, poor crop performance will continue to be attributed by some people to the mine. To some extent this is correct, not because of chemicals from the mine, but because development may have enhanced the transfer of diseases, and the land lost to the mine has put increased pressure on remaining land for gardening. Shorter crop rotations allow diseases to establish and lead to nutrient deficiencies. The larger populations demand more from the same areas of gardens and both plant diseases and nutrient deficiencies follow. Modern horticultural practices based on herbicides, pesticides but mostly fertilisers may offer the only solution.

Flying foxes were a traditional source of protein and their loss from Bougainville is a serious concern to the local people. The dramatic loss of these animals was unlikely to have been related to the mine operation but this does not make it any less of a loss. Other animals have also declined in number but hunting pressures and forest clearance may have contributed to this.

Overall, the quarter of a century during which mine-related events have occurred in Bougainville has been a period of extremely rapid change on the island and, more generally, in Papua New Guinea. The mine has affected many aspects of people's lives in Bougainville; so too have other changes, and the impacts are not always distinguishable. Above all the mine has substantially changed lives in the lease areas, for better and worse, and resulted in a host of localised and regional environmental, social, economic, political and psychological changes that cannot easily be disentangled.

8.4 RECOMMENDATIONS

In the course of our review we have found many things about the mining operation and particularly the Government's role in administering it that would benefit from changes. We have been charged specifically with 'formulating opinions for mitigating negative aspects and capitalising on positive aspects' and recommending courses of action on payment of compensation, village relocation, improvements in infrastructure and the delivery of social services, and the benefits of revegetation (2.4 of the Terms of Reference). These are addressed in the following subsections.

To address only these subjects would in our opinion serve very little purpose and completely fail to tackle major underlying problems of which the requests for improvements in compensation, social services etc are symptoms of the problem rather than the problem itself. Indeed the need for this whole Review arises from fundamental problems in communication and administration which we have discussed at some length in Section 7. We make recommendations about these as well. Finally we comment on some aspects of the Company's environmental planning and monitoring that arise from our analysis and review of that work to date (2.1 of the Terms of Reference).

An overriding recommendation and one that relates to many of those listed below is for agreement to be quickly reached between the Company and the National and Provincial governments on their relative responsibility for provision and maintenance of facilities, services, and communication.

8.4.1 Administration and communication

- (1) The Company and the Government urgently need to establish a procedure, backed by adequate staff and funds, to ensure there is rapid, frequent and clear communications between all parties and in particular with landowners and the Provincial Government. Necessary components of this are the Provincial Government and National Government Officers at Panguna, regular meetings between all parties, acknowledgement of the landowners as partners in the management of the area and more ready disclosure of information on mine planning and operation.
- (2) Lease documents, land ownership records and related information need to be brought up to date, revised where necessary and made freely available in a format and at locations that will ensure ready understanding. The

status and boundaries of the Tailings Lease in particular needs to be determined and the lease boundary marked on the ground.

- (3) A review of the operations and functions of the Company's Village Relations Office (including the Business Liaison Office) is a clear need with a view to strengthening its capacity to deal with village relations.
- (4) Information should be provided and disseminated in Pidgin language, explaining the operations of the mine, future plans etc. This could incorporate parts of the existing magazine *Siapako*, but more oriented towards village interests and hence which might include more information on business liaison. Ironically, such a publication existed in the early years of the mine.
- (5) Senior staff members of the Company in all areas should be encouraged to set time aside to learn Pidgin English. One of the clearest indications and causes of the breakdown of communications is the inability of landowners and management to discuss issues, other than by translation through a third party.
- (6) There is an urgent need for the local people to understand the nature of the mining process better, the characteristics of the chemicals used and the potential biological impacts. This will be difficult to achieve but the benefits would justify the effort. In our opinion, the people have a right to know what is being released into their environment.

8.4.2 Compensation

- (1) The present system for compensation payments needs urgent overhauling. Recognising that compensation payments have taken their present form for eight years, despite regular pressure from landowners to amend them, there is a need for a further review of the level of compensation payments (particularly as they affect the Special Mining Lease) and especially as they relate to the needs of those without other sources of land and/or income. This should take into account the existing compensation payment systems in operation at new mines such as Misima. More research is needed to establish the individual or clan rights of use for customarily owned land to ensure that the users as well as the owners of land are compensated for temporary and permanent loss.

The system must be flexible enough to address the situation where some individuals, still culturally or actually dependent on subsistence gardening, lose all or a very large percentage of gardening or cash-cropping land, relative to those who may lose a similar area but which comprises a less significant percentage of their land.

- (2) Some attempt needs to be made to review the possibility of compensation in non-monetary form to ensure that compensation goes beyond payment of cash sums which are viewed as handouts, destroy local pride and emphasise dependency. In other words, as far as possible, compensation payments should be directed towards long-term social and economic development of the people most directly affected.
- (3) The process of reviewing compensation payments should also include examination of the Uruava land agreement where re-negotiation has been long overdue. It has not been reviewed since 1969 despite an agreement that

it would be reviewed every seven years. It has not therefore been reviewed since Colonial times. All parties should be involved in such a review.

- (4) With the assistance of the Provincial Government's business development services, the landowners should be encouraged to devise schemes for the long-term use of compensation payments, within or outside the lease areas.
- (5) An independent assessment of areas outside the Tailings Lease is required to determine the exact extent of land affected by flooding or raised groundwater levels and whether compensation is being paid to all the owners and/or users affected.
- (6) Where trees have died because of tailings or backed-up water, assistance could be given to village people to recover any useful timber.
- (7) In villages which have been seriously disadvantaged by reductions in the areas of land for gardening or have poor crops for other reasons the use of agricultural chemicals and fertilisers should be considered. A substantial education and subsidy programme may be a necessary part of any such scheme.

8.4.3 Village relocation and resettlement

Serious consideration should be given to requests for improved information and housing, as these are born out of years of frustration. Over time it appears that the Company has become more immune, rather than increasingly responsive, to the needs of the most seriously affected villages.

- (1) All parties should review policies on resettlement to investigate four key areas further:
 - (a) the supply of information to villagers on resettlement moves;
 - (b) the appropriateness of house type and other facilities (notably toilets and water supplies) in particular resettled villages;
 - (c) the possibility of providing some form of assistance (perhaps construction materials at cost) to villagers in relocated villages for maintenance of their houses;
 - (d) the housing needs of married adult children of resettled villagers.
- (2) The scale of relocation compensation, unchanged since 1970, needs to be reviewed. Some back payments or contribution in kind may be appropriate for recently resettled villagers.
- (3) Outstanding commitments for relocation, maintenance, supply of services and landscaping at Dapera and Moroni should be actioned without delay and site preparations for the new Pirurari site undertaken soon.
- (4) Trees and shrubs should be planted immediately and subsequently maintained in Dapera, Moroni and the new Pirurari site to reduce the incidence of dust generation.

- (5) All relevant parties should investigate the position of a road on the north bank of the Kawerong-Jaba River system and/or the provision of new bridges from the present road to the north bank. The possibility of the road being extended to Torokina should also be investigated.

8.4.4 Health and welfare

- (1) Attempts should be made to control malaria by reducing the potential breeding areas for mosquitoes. Specifically, that appropriate fish (rainbow fish - Melanotaenia species) be introduced to areas where water is permanently backed-up by tailings deposition, and that temporary pools created by road works be filled in.
- (2) A comprehensive review and assessment should be undertaken of the water supply requirements of villages within the Tailings Lease area with a view towards providing a permanent, good quality water reticulation or storage tank system ideally designed to remain after the mine has closed.
- (3) The Company should extend its current monitoring programme of respirable dust and free silica at the mine to include those villages in the high risk area around the mine, namely Dapera, Moroni and Pirurari.
- (4) Levels of sulphur dioxide emanating from the Loloho power station should be monitored by the Company at Rorovana and the ultimate fate of the components in the flue gases from the power station should be determined to allay fears of health risks and crop damage.
- (5) The Panguna Health Subcentre should be upgraded to full health centre status, providing in-patient and mid-wifery services, an active maternal and child health programme and other forms of out-reach to communities in the Special Mining and Tailings Lease areas, active aid post supervision in the area, a vehicle to make this action possible, and a small laboratory for simple tests and microscopy.
- (6) The Provincial Government should provide an aid post in the mid to lower Tailings Lease area and ensure that maternal and child health care are re-established in this area preferably by the Panguna Health Subcentre.
- (7) The Provincial Government should undertake a nutrition education programme in the villages within the Special Mining Lease area.
- (8) The villagers of New Dapera and Moroni should be encouraged to clean up the refuse from their villages to reduce the health hazard. The Company could assist by removing the refuse, once collected.
- (9) The villagers should be encouraged to remove mould from the walls of their houses to reduce the incidence of respiratory tract symptoms.
- (10) The quantities of process chemicals in the deposited tailings and on dust from these tailings should be determined conclusively and the impact on health assessed.
- (11) The impact of dust on crops should be examined to determine the extent of the problem. The information from (10) above would be relevant.

8.4.5 The RMTL Trust Fund

These recommendations are made following our assessment of the operations of the Trust. They may well be subject to some revision following the outcome of the legal case that is now pending. This would not affect our views about the general significance of these proposals.

- (1) The Trust should take immediate steps to organise village meetings (through the new Public Relations Office) and disseminate information to villagers on the Trust's operations. A summary of the Trust's activities (investments, donations, administration etc) should be produced in Pidgin as soon as possible, to provide a permanent record, available for consultation.

8.4.6 BCL in business

- (1) The Company should review its employment policies to ensure that business contracts are given to local groups wherever possible. In fact a form of positive discrimination may be appropriate.
- (2) The Company and Bougainville Copper Foundation should investigate:
 - (a) ways in which further support can be given to local agricultural enterprises rather than further development of the egg layer project and piggery at Mananau;
 - (b) divesting BCF of the majority of shares in Arawa Enterprises Limited, to encourage greater local participation in large-scale commercial development;
 - (c) the establishment of a genuine low cost medical insurance fund through the North Solomons Medical Foundation and increased commitment to supporting Provincial Government health services in rural areas.

8.4.7 Rehabilitation and mine closure

- (1) The Company urgently needs to undertake serious planning (as distinct from investigations) for mine closure covering rehabilitation of all mine-affected areas, engineering design for long-term stability, and revegetation. Establishing objectives and timetables for this work is the responsibility of the Government and should be covered in the current BCA Review. A five or seven year rolling plan may be appropriate. The Government in consultation with all other parties needs to address now and plan for the social consequences of mine closure and in particular the needs of landowners who have lost a substantial part of their land.
- (2) The Company and the Government should review the Company's rehabilitation objectives and in consultation with all relevant parties should develop revised objectives which focus on provision of land and livelihood for the affected landowners.
- (3) The Company should revise and renew its revegetation investigations with two specific goals:
 - (a) to develop techniques which will contribute to rapid initiation of soil development, organic matter accumulation and natural nutrient holding and cycling capacity;

- (b) to develop techniques appropriate to the full range of conditions likely to be encountered in revegetation of the tailings.
- (4) An integrated plan should be developed for rehabilitation of the tailings area and stacks. The plan should take into account all the problems likely to be encountered and the optimum solutions to those. Particularly important is that the planned solutions to the problems of stability, revegetation and river chemistry be integrated.
- (5) The Government should review the 1987 Disposal of Tailings and Waste Rock Agreement with two specific goals:
 - (a) to determine positively and state the standards of environmental protection and rehabilitation which the Company is required to achieve;
 - (b) to achieve a wording in the Agreement which is specific and unambiguous.
- (6) No further consideration should be given to the filling of swamps with tailings. Such an action would not act as a means of replacing lost land, as the productive potential of the tailings is limited. It would serve only to destroy what are now important ecological areas.
- (7) A report should be prepared on waste rock and tailings disposal to include all or some of the following:
 - (a) area covered or otherwise affected;
 - (b) area covered expressed as a percentage of total affected area predicted when agreements were made;
 - (c) population formerly dependent or in possession of the area covered (this measure would change with disposal and population growth);
 - (d) predictions of dependent population at the end of mine life;
 - (e) estimated cost of rehabilitation of affected areas.
- (8) Routine monitoring of the area of land affected by flooding and the raised water table should be commenced and included in routine reporting. The reporting of areas of off-lease tailings disposal or flooding should be carried out as above. This should include reliable mapping of the lease boundary and the limits of tailings deposition. The ecological, economic and cultural costs of off-lease flooding and water table elevation should be determined and included in reporting.
- (9) Alternative uses of the tailings deposits should be evaluated. In particular, the possibility of developing fish farms using raised ponds and gravity-fed water from the upper Jaba River. The hydrostatic head in raised ponds would prevent contamination from the tailings and so this may be a near future option.
- (10) An investigation should be carried out of:
 - (a) the possibility of land being reserved at Tenakau plantation for resettlement by villagers who wish to move from the mine lease area

(and other affected areas) who currently or in future will have inadequate land for subsistence or cash-crop purposes;

- (b) the possibility of purchasing Bove plantation if land at Tenakau is not available.

It should be noted that:

- (a) resettlement is extremely difficult;
 - (b) that plantation land does have a traditional 'owner' other than the current plantation owner and that such owners must be involved in discussions over future land use;
 - (c) that discussion of shifting Dapera village to Tokaian coastal plantation in 1970 created no interest from the Dapera villagers who saw themselves as mountain people unwilling to move away from their homeland. Thus resettled villages will need to continue to hold secure title to what is left of their land at the mine site;
 - (d) that if steps are not taken to achieve some degree of resettlement to an area with agricultural potential, on a voluntary basis, this will become increasingly difficult in the future;
 - (e) that the Provincial Government be directly involved in any settlement scheme, because of its greater neutrality and its experience in the Carterets scheme;
 - (f) that a considerable area of land will become available at closure of mining operations in Bougainville (such as at Loloho, Itakara, parts of Panguna and Arawa etc) and these should be reviewed as sites that might be developed for the benefit and/or settlement of displaced landowners.
- (11) A reassessment of options for returning fish to the Pangara River should be made. In particular the feasibility of opening the Pangara River directly to the coast should be investigated (from cultural as well as engineering aspects).

8.4.8 Environmental monitoring

The Review Team considers the following additions to the Company's environmental monitoring programme would be of assistance in planning for and achieving early stability of the Kawerong-Jaba River system and determining long-term impacts on Empress Augusta Bay:

- (1) A pluviograph at the former Jaba River Delta site could be recommissioned or a full climatological station installed.
- (2) Rainfall records could be reviewed with respect to incomplete data and interstation rainfall correlations assessed as a means of filling in the gaps in the rainfall record.
- (3) The return frequency-rainfall intensity relationship (developed on 10 years data) would benefit by being updated using 30 years of Panguna rainfall data.

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- (4) More detailed information could be included in the Hydrometeorological Tables on the temporal distribution of runoff; that is, mean monthly discharge, instantaneous maximum and minimum discharges.
 - (5) The frequency of channel cross-section surveys could be increased at selected erosional/depositional sites so as to increase the understanding of channel and levee response to irregular events.
 - (6) A stream gauging station should be commissioned in the lower reaches of the Pangara River to establish the likely magnitude of backwatering effects from the aggraded Kawerong-Jaba channel system.
 - (7) A detailed analysis of all climatological and hydrological data collected to date would be helpful, including spatial and temporal analysis of rainfall and other climatic parameters; evaluation of rainfall-runoff response for disturbed and undisturbed catchments within the Special Mining Lease area; integration of rainfall, runoff, sediment input and bed level change data; and an evaluation of the flood and low flow hydrology of the Kawerong-Jaba River system.
 - (8) Chemical work on the Jaba River system should continue so as to allow more precise predictions of future water quality using the RIVCHEM model. In particular, effort should be directed at more accurately quantifying the roles of carbon dioxide and sediment adsorption on copper solubility.

MIPELA LONG ASSOCIATION I BIN ASKIM GAVMAN NA KOMPANI LONG PEIM
OL DISPELA MANI IKAM LONG ASSOCIATION NA TU LONG GAVMAN BILONG
YUMI.

MIPELA I NOGAT BILIP TRU LONG KOMPANI NA TU LONG GAVMAN, OLSEM NA
ASSOCIATION BILONG MI NA OL PIPOL, MIPELA I REDI PINIS NAU LONG
SATIM DAUN MAIN.

EM YUELA I TINGTING LONG SATIM DAUN MAIN LONG WANEM TAIM?

EM MAIN BAI I SAT DAUN LONG SARERE LONG COMING WEEKEND SO OLGETA
PIPOL I MAS REDI LONG DISPELA SAMTING I WOK LONG KAMAP.

WANEM KAIN ROT BAI YUELA BIHAINIM?

EM BIKPELA SAMTING BAI MIPELA WOKIM OL ROT BLOK LONG OL HAP LONG
JABA NA TU LONG ROT IGO LONG MAIN, SO OL DISPELA SAMTING BAI
MIPELA KARIM AUT LONG DISPELA SARERE.

YUELA OL PAPA MAMA BILONG GRAUN I SINDAUN WANTAIM KOMPANI LONG
LUKLUK LONG DISPELA KLEIM?

EM PLANTI TAIM MIPELA SINDAUN WANTAIM KOMPANI NA GAVMAN TU, TASOL
OLI BIN FAIL NA TU OLI BIN TOKIM MIPELA LONG SITTING LONG NOVEMBER
BAI OLI APROVIM OL SAMTING NA OL PEIMEN BAI I KAM TU, TASOL IKAM
INAP NAU NOGAT SAMTING I BIN KAMAP, NA TU LONG AGREEMENT BILONG
MAINING POLISI NA OL DISPELA SAMTING I NO BIN KAMAP LONG DISPELA
TAIM, SO DISPELA TAIM MIPELA NOGAT BILIP TRU LONG KOMPANI NA TU
LONG GAVMAN.

NA OLSEM WANEM LONG OL WOKMAN BILONG KOMPANI?

I GAT BIKPELA SAPOT STRET LONG SAIT BILONG KOMPANI WOKMAN BILONG
WANEM KOMPANI TU I SAVE BAGARAPIM OL PIPOL, AITING DISPELA KAIN
PASIN OLI WOKIM LONG OL LAIN BILONG SOUTH AFRICA OLI LAIK TRAIM
WOKIM LONG MIPELA HIA. TASOL MIPELA YET LONG OL PAPA BILONG
GIRAUN MIPELA I LAIK LUKIM DISPELA SAMTING I NO NAP KAMAP LONG
DISPELA AILAN BILONG MIPELA. NA DISPELA TAIM OL PIPOL BILONG
MI OLI LAIK BAI MIPELA TU I MAS LUSIM PAPUA NEW GUINEA NA MIPELA
MAS STAP LUKAUTIM GAVMAN BILONG MIPELA YET.

NA SAPOS MAIN I SAT WANEM SAMTING BAI KAMAP BIHAIN?

BIHAIN LONG MAINING I PAS BAI MIPELA TRAIM LONG OGANAISIM NA
STRETIM OL SYSTEM LONG GAVMAN BILONG MIPELA, EM WANPELA SAMTING
BAI MIPELA MAS LUKLUK LONG EN.

DISPELA OLSEM WANEM YUMI YET LUKAUTIM MAIN?

EM I DEPEN LONG WANEM SAMTING BAI KAMAP, TASOL AT THE MOMENT
MIPELA TINGTING LONG PASIM MAIN PASTAIM NA SAPOS PIPOL I KAMAP
WANTAIM GUTPELA TINGTING YUMI KEN SANAPIM BEK KOMPANI.

KOMPANI I SAVE PINIS LONG DISPELA TINGTING LONG PASIM MAIN?
EM LONG SAIT BILONG KOMPANI LONG TWO MONTHS IGO PINIS MIPELA I
BIN PASIM MAIN LONG WEI BILONG KASTOM, TASOL LONG HAN BILONG
TUPELA GAVMAN NA KOMPANI OLI BIN WOK LONG RONIM YET.

DISPELA LIKLIK SAT DAUN I BIN KAMAP LONG SAIT BILONG, ROT LONG
TAILINGS I BIN TOK OLSEM OL SAMTING ASSOCIATION I BIN ASKIM LONG
OL SERVICES I NO WANEM SAMTING, OL SERVICES I NO KAMAP, OL KOMPANI
I WOK LONG GIAMANIM MIPELA, OLI WOK LONG WOKIM LIKLIK I PINIS,
OLI WOK LONG WOKIM LIKLIK GEN OLI STOP, NA DISPELA KAIN PASIN
MIPELA I WOK LONG LUKIM OLSEM KOMPANI I WOK LONG PILAIM DELAY
TACTICS I NO NAP WOKIM OL DISPELA WOK.

LONG SATIM DAUN MAIN NA TOKTOK IGO LONG POLIS NA TU LONG GAVMAN
MIPELA I NO LAIKIM DISTEBENS. MIPELA I LAIK BAI POLIS NA GAVMAN
I MAS STAP AUT LONG WANEM MIPELA I NOGAT RESPEK TRU LONG DISPELA
GAVMAN NA KOMPANI NAU, EM TINGTING BILONG MIPELA OLSEM PAPA TRU
BILONG GIRAUN MIPELA OL LAIN BILONG NORTH SOLOMON MIPELA I LES
PINIS LONG DISPELA KAIN PASIN OLI SAVE WOKIM. YUMI OLGETA I MAS
SANAP WANTAIM NA SAPOTIM DISPELA MUV LONG WANEM YUMI OLGETA I LUKIM
PINIS OL DISPELA KAIN BAGARAP NA KAIN GIAMAN OL KOMPANI NA GAVMAN
I WOK LONG WOKIM. YUPELA YET I BIN HARIM PINIS OLSEM LONG TU WIKS
IGO PINIS NAU OL SAINTIS BILONG NEW ZELAND ODI BIN KAM, TASOL
LONG LUKLUK BILONG MIPELA OL ANSA OLI BIN GIVIM OLI BIN TOK OLSEM
AA BCL I NO WOK LONG WOKIM MAIN, I NO WOK LONG BAGARAPIM PIPOL,
I NO WOK LONG BAGARAPIM OL FISH, I NO WOK LONG KARAMAPIM GIRAUN
BILONG OL PIPOL, TRU EM REGUEST BILONG MIPELA OLI BIN KAM, SABQS
YUMI NO WOKIM WANPELA MUV YUMI OLGETA BAI PINIS WANTAIM DISPELA
AILAN BILONG YUMI SO I MAS GAT TAIM NAU WE OLGETA I MAS SANAP
WANTAIM NA YUMI SATIM DAUN MAIN NA SAPOS YUMI GAT SAMPELA GUTPELA
TINGTING ORAIT YUMI KEN SANAP BEK TASOL AT THE MOMENT MI LUKIM
OLSEM RISK LONG LAIF BILONG YUMI LONG DISPELA AILAN EM I BIKPEALA
TRU AITING MONI YUMI KEN PUTIM NAMBATU SAMTING LIFE BILONG OL PIPOL
OL FUTURE GENERATION YUMI MAS PUTIM IKAM PAS EM DISPELA TASOL
MIPELA I GAT STRONGPELA BILIP OLSEM SAPOS YUMI PAIT WANTAIM BAI
YUMI NAP ACHIEVIM WANEM SAMTING YUMI LAIKIM NA FISRTPELA SAMTING
YUMI MAS ACHIEVIM EM YUMI MAS SANAPIM GAVMAN BILONG YUMI YET.
SAPOS YUMI HANGAMAP LONG PAPUA NEW GUINEA GAVMAN BAI DISPELA SAMTING
OL CORRUP DEALINGS OL DISPELA SAMTING BAI CONTINUE MI YET MI SAVE
OLSEM OL PIPOL BILONG YUMI OL LIDA BILONG YUMI OL COMPANI I BAGARAPI
OL.

ENDS.....

TRANSCRIPT OF INTERVIEW OF FRANCIS ONA BY NATIONAL BROADCASTING COMMISSION (KIEFA), BROADCASTER CALNAX ANAVIN ON OR ABOUT 18TH NOVEMBER, 1988 AT 8.15PM.

We the members of the Association have requested the Government and the Company to pay the money to the Association and to our Government.

We do not have any confidence in the Company and government, that's why the Association and the people are now ready to shut down the mine.

When have you people decided to shut down the mine?

The mine will be shut as from the coming weekend so the people will be informed of the happenings.

Which direction have you decided to follow?

We will be setting up major road blocks at Jaba and also the road into the mine site. This will all be carried out this Saturday.

The Land Owners, all the men and women, should sit down with the Company and the Government and look into the problems if you are not happy with the current Policies.

On numerous occasions we have asked the Company and the Government but our efforts have failed. They informed us that during the November Sitting that something favourable would be approved and that Government officials would be coming, however to date we have had no progress. In the Mining Agreement our problems have not been properly addressed. So as from today we have totally lost our confidence in the Company and the Government.

What about the Companies employees?

The Company employees are supporting us because the Company has mistreated the people. The typical Foreign racist attitudes being practiced in South Africa are now being practiced here. We the real landowners do not want this to happen on our Island.

Today my people have decided to break away from Papua New Guinea and be a Independent State on our own.

If the Mine wants to re-open that will be after this. When the Mine is closed we will then have time to organise and formalise our system of Government. This is the vital area we will look into.

What about it? Can we look after the mine ourselves?

This will depend on the circumstances, but at the moment, we want to close the mine and if the people come up with some better ideas later, then perhaps we will re-instate the Company.

Does the Company know of your intention to close the mine?

The Company already knows about our intentions to close the mine. Two months ago we closed the mine customarily, however the two Governments and the Company ignored us and are still operating it.

The road into the tailings was shut down at this time but it showed the emotions of the members of the Association. The services we requested have not been granted. The Company has not honoured their commitments. They have on a small scale honoured commitments, but these then stopped after a while. We have finally realised that the Company is playing delaying tactics.

Before shutting down the mine we have made it known to the Police and the Government that we do not want any disturbances. We want the Police and the Government to stay out of this as we do not have any respect for the Company and Government. We the real landowners and the people of North Solomon are very frustrated with these types of attitudes.

We must all co-operate and strive together because we have seen and realise the dirty tactics and false commitments made by the Company and the Government.

You have all heard that two weeks ago the Scientist from New Zealand came up, however after their findings the Scientist stated that:-

BCL was not spoiling the people
BCL was not killing the fish
BCL was not destroying the land.

To be honest, we requested the Scientist to come here, however if we do not make a move now, the whole Island and the people will be in great danger. It is the right moment now to shut down the mine. If we have some better proposals later, we will decide on those courses of action. In the meantime I realise that the life of the people on the Island is at great risk.

We will consider money as a second alternative, but the lives of the people of this Island and our future generations must be our foremost choice. We firmly believe that if we all fight together and co-operate we will be able to achieve what we want.

Our first goal is to establish our own Government. If we keep on staying part of Papua New Guinea, we will still be faced with corrupt dealings and we will continue to face them.

I definitely know that our people and our leaders have all been spoilt by the Company.

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Appendix 8

Details of Events on Bougainville - 22nd November, 1988 to 30 September, 1989.

22nd November, 1988, at 3:00am., villagers blocked the main Port Mine Access Road using bulldozers and a grader. Police Commander Luke Panguo, cleared the road at about 8:30am. and recovered the stolen machines.

22nd November, 1988: explosives stolen - a group of masked men armed with knives held up security guards at Bougainville Copper Ltd.'s magazine at about 3:00pm. A quantity of explosives, detonators and fuses were stolen. The quantity of explosives stolen is detailed below:

- 2 x 400 metre reels of 25 grain primer cord
- 2 x 400 metre reels of 50 grain primer cord
- 2 x 55 x 1 pound box of boosters
- 1 half box (about 100) of 25 millisecond delays
- 2 boxes x 250, 100 millisecond delays
- 1 half box (about 90) non-electric blasting caps

25th November, 1988: an unidentified landowner went on Radio North Solomons threatening to blow up the mine.

25th November, 1988: Koniano Guesthouse - damaged by arson. Fire was started in the dining room after 20 litres of kerosene had been poured over carpet. Fire was reported at 11:45pm.

25th November, 1988: Heli-Bougainville hangar, offices and helicopter damaged by fire. At 11:51pm. the Panguna fire crew who were attending to the Koniano Guesthouse fire, were advised by security officers of a second fire at the helipad. Unknown people had broken into the hangar and once again poured on an accelerant before setting fire to the building and stealing some of its contents. Damage was sustained to the helicopter and its accessories; some tools and equipment; and office furniture and files.

26th November, 1988: At about 12.29am. a fire was discovered at Bougainville Copper Ltd.'s Administration Block, B44 at Panguna. Extensive damage was sustained to the building and its contents although the fire was prevented from spreading to adjacent buildings B43, B37, B36. In addition to the above, on that same day minor damage was sustained to an engineering drawing office where a fire had been lit and an unsuccessful attempt made to burn down the Arawa Enterprises Ltd.'s Supermarket in Panguna. An unsuccessful attempt was also made to burn the emergency diesel power generator at Panguna and break into two other buildings.

26th November, 1988: During the night several items of BCL equipment in outlying areas of the pit, were attacked: these included an all terrain grease and lubrication vehicle which was set alight; electrical power to one of the mine's 12 electric shovels was disabled; and a mobile lighting plant was damaged. Elsewhere BCL employees and others were stoned.

26th November, 1988: Police reinforcements arrived by chartered plane.

30th November, 1988: Theft of explosives from Bougainville Limestone Mining. The mine site is located 26 kilometres north of Arawa on the Buka Road. The explosives were contained in a concrete pillbox and the thieves gained access by smashing a hole through the concrete walls. Three and a half cartons of red cord were stolen, valued at PNK498.16. This cord is normally used as a detonation lead but, if used correctly, can be used as an explosive in itself.

1st December, 1988: BCL issued a press release expressing concern at the theft of the explosives from both their magazine and that of Bougainville Limestone Mining, and also at threats made against both the mine and employees that had been reported in the *Post Courier* on 28th November, 1988.

1st December, 1988: Tower No.53 supporting transmission lines from the Loloho Power Station to Panguna Mine, was brought down disrupting power to the mine.

1st December, 1988: A Ford tractor owned by Bougainville Copper Foundation was set ablaze and damaged beyond economical repair at the Mananau Chicken Farm at 11:00pm. Fire damage was also sustained to an office building and contents. In this attack a large group of men confronted the Insured's staff and told them to leave, saying that it was nothing to do with them. The manager of the chicken farm, Martin Atobu, went off to obtain assistance: however, by the time he returned the tractor and building had been set alight.

2nd December, 1988: A group of men, armed with axes, knives and guns, held up the security guard at the repeater station and set fire to the main control system.

3rd December, 1988: Repairs to Tower No.53 completed at 9:48pm. and production recommenced at 2:00am. on 4th December, 1988.

3rd December, 1988: Attempted arson of mobile compressor set at Bougainville Limestone Mining.

4th December, 1988: A National Government Ministerial Committee of five Ministers, led by Deputy Prime Minister, Mr. Akoka Doi, arrived at the North Solomon's Province to discuss the problem with Provincial Government leaders, BCL and representatives of the landowners.

4th December, 1988: At 11:45pm. Tower No.50 was felled by explosives.

5th December, 1988: Power was resumed to the mine site and Panguna Town at 3:25pm. BCL made representation to the National Government Ministerial Committee to improve security.

5th December, 1988: BCL issued a press release stating that they were not prepared to resume operation of the mine until *"the company is satisfied that its personnel and assets are secure from further interference."*

Only 25 minutes after work was restarted at the mine, persons, using two-way radios and described by Geoff Ewing as "terrorists," contacted security personnel and threatened to do more damage to mine property. (*Post Courier* report 5th December, 1988)

In discussions with the writer¹, Mr. Ewing explained that Bougainville Copper Ltd. had not taken lightly, the decision to close the mine and this was done through a very real fear that further damage to property or attacks on senior personnel, would occur.

7th December, 1988: It was reported that the Government Delegation on Bougainville Island, led by Deputy Prime Minister Akoka Doi, expressed disappointment that they had not been able to meet with the disgruntled landowners. Doi's statement in the paper, first of all threatens the landowners with the "use of extreme measures" to bring about law and order. After this he made another statement to the landowners on the following points:

- "1. *Police reinforcements would not be deployed in the village areas, but in the mine site only.*
- "2. *The Government would ensure that the new Community Projects identified by BCL, were implemented soon.*
- "3. *The Government would finalise proposed changes to mining policies with the Provincial Government.*
- "4. *The Bougainville Agreement be reviewed by the end of the month, and,*
- "5. *The National and Provincial Governments undertake to consider additional community projects for the benefit of the landowners."*

In the same paper, Fr. Momis, who had continually supported the landowners, did speak against the violence that was being used.

7th December, 1988: At 2:30am. BCL's housing maintenance building workshop in Arawa was set alight. Once again this was described as a "terrorist act" by BCL. The building was damaged beyond economical repair and was demolished.

Fresh threats were received from the landowners threatening further damage to company properties in Arawa².

7th December, 1988: At 11:25am. a second fire occurred at Kapara Radio repeater station.

7th December, 1988: A further 50 police officers were flown to Bougainville to join the 102 already stationed at the mine site.

The National Executive Council reported the deferred decision on this day to send soldiers to Bougainville Island to assist the Police.

¹ Personal interview 8 December, 1988, of Geoffrey Ewing LLB, then Company Secretary of Bougainville Copper Ltd.

² *ibid.*

8th December, 1988: A meeting was held at which Deputy Prime Minister Akoka Doi and others in the National Government Ministerial Committee met with Francis Ona and 35 other landowners at Guava village at 3:00pm. A report on the meeting which appeared in the *Post Courier* on 9th December, 1988, indicated that the Deputy Prime Minister was confident that the problem was at an end and that assurances had been given to him by the landowners that there would be no more sabotage.

10th December, 1988: Production at the mine recommended after BCL received written assurance from the Prime Minister, Mr. Rabbie Namiliu.

11th December, 1988: Deputy Prime Minister, Akoka Doi, made a radio broadcast indicating that a curfew would be imposed as from 5:00pm. on 12th December, 1988, unless the remaining stolen explosives were returned.

13th December, 1988: A quantity of explosives were returned and the Government deferred its decision to impose a curfew. Police carried out raids on villages at Depara, Moroni, Pakia, Siridonsi, Itakara and Korobo. As a result of the raids, a third BCL two-way radio was recovered. After the raids, complaints were lodged with Premier Kabui and Fr. Momis. The complaints were against alleged unnecessary force by the police.

14th December, 1988: It was confirmed that only a small quantity of explosives were in fact returned and because of threats to steal more from Buka, the police escorted the explosives from Buka Island to the Bougainville Copper Ltd.'s main magazine, which was under constant police guard.

16th December, 1988: It was reported that a Ministerial Committee headed by Deputy Prime Minister, Akoka Doi, had been appointed to review the Bougainville Copper Agreement. Fr. John Momis was also appointed to the Committee.

19th December, 1988: *Post Courier* report advising that BCL had offered to "co-operate fully with the Ministerial Committee reviewing the Bougainville Agreement."

23rd December, 1988: Newspaper report quoting Fr. John Momis as blaming BCL for the problems.

24th December, 1988: Two riot squads based at Panguna, were withdrawn.

29th December, 1988: A backhoe belonging to BCL was set on fire at Mananau.

6th January, 1989: Fresh threats to blow up the mine and public installations such as Aropa Airport, Loloho Port and Police Stations at Arawa and Kieta reported. Francis Ona however, was reported to have sent a note to the Premier's office saying that the threats were not from the landowners.

7th January, 1989: Mazda utility owned by Guava Holdings (the President of the RMTL Mr. Severinus Ampaoi) was set on fire at Guava village.

9th January, 1989: The deadline set by the landowners for a Government response to their list of demands, expires.

12th January, 1989: Approximately 10 villagers made what was believed to be an aborted attempt to steal further explosives; however, they did steal a two-way radio.

13th January, 1989: At 11:00pm. a group of villagers stoned some vehicles near the mine pit and when police attended, a confrontation occurred.

15th January, 1989: Martin Kove, an executive member of the "old" Panguna Landowners Association and an elder of Guava village, was abducted at 4:00am. After the abduction, there was a report that the members of the "old" Landowners Association and the Directors of the RMTL were on a "black list."

An attempt was made to blow up the base of a power pylon which would have disrupted power to Arawa, Kieta, and Toniva.

16th January, 1989: Arson attack at Mananau Chicken Farm. In this attack six men wearing disguises, confronted the three security guards and threatened them with home made shotguns. After tying up the security guards, other men appeared and forced their way into the egg sorting shed which was set alight by the use of a petrol bomb.

16th January, 1989: Post and Telecommunication repeater station on Mont Bon Martin damaged by fire disrupting telephone services.

17th January, 1989: 9:00pm. - a water pumping station supplying the Arawa Township, was dynamited, causing considerable damage to electrical wiring, the roof and the door.

17th January, 1989: An attack was made at Bougainville Forest Enterprises Sawmill at Aropa. A group of men poured petrol around the building and set fire to it; when disturbed by security officers, two shotgun rounds were fired along with an arrow.

17th January, 1989: A fire was started beneath the Tariapun River bridge near Mananau. The damage to the Bailey Bridge was minimal.

18th January, 1989: Nominated member for Central Bougainville, Mr. David Sisito, appealed to Francis Ona to immediately return the stolen dynamite and disperse his group of supporters.

19th January, 1989: A 6:00pm. to 5:00am. curfew to be imposed from 23rd January, was announced. It was also announced that police strength in the area was increased from 200 to 500. The number claimed may have been exaggerated. (See 29th March, 1989)

23rd January, 1989: The dusk to dawn curfew, code named Tampara 89, was implemented. A copy of the published proclamation which appeared in the *Post Courier* 23rd January, 1989, can be found as **Appendix 9**.

30th January, 1989: A letter was received at the *Arawa Bulletin* from the 'Concerned Pawpaw Squad' of the Bougainville Revolutionary Army. A copy of the original letter and a typed transcript, both appeared in the paper. A copy of the relevant page from the paper is attached as **Appendix 10**.

31st January, 1989: A skirmish occurred in the mountains of Kongara near Kieta. In the fight, three villagers were injured: Sisia Ivomei, 14 years of age; Jonas Mambua, aged 65; and

Joseph Baona, aged 45. Two policemen were also injured in the affair: one had spear wounds to one hand and the other was injured by a police dog. The incident allegedly occurred after some youths blocked the road to conquer Kongara by felling trees. This stopped the riot squad from going to the village. The squad then flew into the village by helicopter and some fighting took place.

1st February, 1989: Police Officer, Constable Yahamani was injured with multiple shotgun pellet wounds, whilst he was sitting on a truck travelling to the Kongara area. Allegedly he was injured after a sniper attack on the vehicle. A second officer, by the name of Moses, was also slightly injured in the attack, with wounds to his ear.

10th February, 1989: It was reported the police confiscated spears, bows and arrows, fishing guns and home made guns, during raids in villages in the Kongara and Panguna area. A two-way radio was also recovered.

10th February, 1989: Francis Ona prepared a letter addressed to David Sisito, the Member for Central Bougainville in the north Solomon's Provincial Government. The letter set out three aims of Francis Ona, the first of which was to break away from Papua New Guinea. A copy of the letter, written in pidgin, with an English translation, is attached as **Appendix 11**.

13th February, 1989: Police vehicles stoned in the Pakia village area.

16th February, 1989: PNK108 million profit announced by BCL.

19th February, 1989: Thirty pigs³ stolen from RMLT director, Severinus Ampaol's farm in the Itakara area. Supporters of the "new" Panguna Landowners Association alleged to be responsible.

24th February, 1989: An article appearing in the *Arawa Bulletin* referred to discussions being held between Francis Ona and former National MP Mr. Anthony Anugu. The article is quoted as follows:

"According to Mr. Anugu, Mr. Ona firmly believes that the economic base for Papua New Guinea is at the hands of a "white Mafia" and not with the people of this country. The only way to get rid of foreign domination of the economy is for the people of North Solomons to secede from the rest of Papua New Guinea.

"Mr. Anugu also said, Mr. Ona still maintains to fight to the end and it is indicated that chapter 4 of the book "Rivers of Tears" will come true when a civil war erupts at Panguna."

This is a similar wording to Ona's letter of 10th February.

2nd March, 1989: Bougainville Development Corporations helicopter flying under the name of Heli-bougainville was shot at in the Kongara area.

³ Pigs are highly prized in Papua New Guinea and at the time had a value of approximately USD200 each. This was therefore a significant loss for Ampaol in both financial and prestige terms.

3rd March, 1989: A report in the *Arawa Bulletin* reports Francis Ona disassociating himself with villagers from the Pakia and Parake districts which he blamed for carrying out a number of attacks including the blowing up of the pylons in November and December, 1988.

3rd March, 1989: An article in the *Niugini Nius* showed the frustration being experienced by the Police Commissioner over the Bougainville issue.

6th March, 1989: The 6:00pm. to 5:00am. curfew, which had been in force, was relaxed to 10:00pm. to 5:00am.

8th March, 1989: Snipers shot and wounded two police officers (Constables Lesaf Kusuk and Joe Rova) outside the Aropa Airport Terminal.

9th March, 1989: Shots were fired into a moving police vehicle.

9th March, 1989: A young village man from Pakia village was seriously injured when he allegedly fell from a moving police vehicle, whilst being driven to Arawa Police Station. The youth later died. It was subsequently claimed by many people that the youth had been beaten to death by the police and had not fallen from the vehicle.

10th March, 1989: Mrs. Deborah Raboni from the Bakonarong village was raped and axed to death by a non-Bougainvillian.

15th March, 1989: A large number of police demonstrated outside the Arawa Police Station complaining they were being hamstrung by the Government in not being allowed to track down Ona as they wished.

16th March, 1989: At 8:30pm. an attempt was made to fell Tower No. 32. The attempt was unsuccessful.

17th March, 1989: A letter was published in the *Arawa Bulletin* declaring concern over excessive violence being carried out by the riot squad. The letter was signed by J.B. Dakoary, B.R.A.

17th March, 1989: Two plantation workers were killed and two others injured, when villagers, most likely from the area from which Mrs. Raboni came, attacked a group of workmen relaxing beside a house during a rest break at the plantation. Wapia was shot dead, Imburu received shotgun pellets in the arm, Mawiwans received a shotgun blast to the face and Javarina received bullet wounds to the leg.

17th March, 1989: Two villagers injured in fights with police.

18th - 20th March, 1989: The Aropa Plantation buildings were looted and fire damaged many times over the weekend. One house, six barracks buildings, an office store, two tool and chemical stores, and various items of machinery, were all destroyed by fire. Damaged was occasioned to several other buildings after they were vandalised by stone throwing villagers. A trade store adjacent to the plantation was also destroyed by fire. Loss estimate PNK200,000.

20th March, 1989: A policeman and a civilian received pellet wounds from a shotgun blast. A second civilian was injured by an arrow.

20th March, 1989: Non-Bougainvillian plantation workers from the Aropa Plantation and the other plantations in the area demonstrated in Arawa in response to the shootings at the Aropa plantation. The demonstrations were held outside the Arawa Enterprises Supermarket and the management of the store decided to close the doors at around 10:00am. when the crowd reached about 300. At about 10:30am. the crowd smashed open the door to the supermarket stealing stock. Damage to the building was estimated at PNK27,800, while stock valued at PNK12,000 was stolen. In addition, North Solomons Pharmacy have a chemist shop inside the building with access from the supermarket. The rioters also ransacked the pharmacy, stealing stock valued at around PNK10,000.

The attacks were made by non-Bougainvillians and were believed to be as a direct consequence of the shooting of the non-Bougainvillian plantation workers at Aropa plantation. This in turn was believed to be linked to the rape and murder of the Bougainvillian woman, Deborah Raboni. There was no evidence to directly link the death of this woman with the landowners' dispute, although it was likely that the "payback" killings and subsequent chain of events, were linked.

20th March, 1989: Siwi Enterprises trade store in Toniva looted by large crowd.

20th March, 1989: New Guinea Cocoa Store at Toniva looted by rioters.

20th March, 1989: The Arawa home of B.M. Healy, the Manager of the Papua New Guinea Banking Corporation of Panguna, was attacked and looted by an armed gang.

20th March, 1989: Arawa Enterprises Kai Mat store in Arawa industrial area, looted.

20th March, 1989: At about 1:00pm., 100 people stormed into the Bulk Trade Store operated by Arawa Enterprises Ltd. at Tonu. The group of people who came from nearby villages were armed with bush knives and axes. Remarkably the manager of the store, Mr. Henry Gumuk, persuaded the people to leave the store which he closed prior to telephoning for police assistance. The police were not able to attend and at 2:30pm. the crowd returned forcing their way into the store and ransacking it completely. Although the group stole the safe, the manager was able to recover it unopened, from nearby Boku. However, by the time he returned to his own home, this too had been looted.

21st March, 1989: At about 3:00am. (reported in the press as pm but eyewitnesses confirm am.) arsonists deliberately set fire to the Aropa Airport Terminal causing its complete destruction along with contents owned by Air Niugini. A group of armed men held up a security guard and the terminal's kiosk operator. The kiosk was looted and the building was then set ablaze. Air Niugini flights into and out of Aropa Airport were suspended for one week. Three aeroplanes owned by Bougainville Development Corporation, trading as Bougair, were also attacked and set alight: one plane was totally destroyed and two others escaped with relatively minor damage. The attack on the airport terminal and the BDC aircraft, is believed to have been carried out by militant landowners rather than by Bougainvillians or non-Bougainvillians caught up in the racial dispute following the death of Deborah Raboni.

21st March, 1989: Robert Bakao, a 19-year old youth from Take village, was shot by riot police who attempted to stop a vehicle which was carrying World War II explosives.

21st March, 1989: John Sisisra, 34, of Loro village, was shot by police when he and others were attempting to blow up the Laiuai Bridge.

21st March, 1989: Windscreens in three vehicles were smashed by an angry crowd. Windows to Provincial Government Headquarters were also smashed.

21st March, 1989: A large group of villagers watched Buin Police Station being destroyed by arson. Afterwards, the group went to a large trade store and bulk depot, operated by Arawa Enterprises Ltd. (AEL), where they threatened the bulk store staff who abandoned the building and fled to the nearby Uniting Church Minister's home. The store was looted by the villagers.

21st March, 1989: At 2:30pm., Police reinforcements arrived at Buin and chased the large crowd away. The police vacated the town at 4:30pm. from which time the town was left without any law and order. The Arawa Enterprises store was continually looted up until the morning of Wednesday 22nd March, by which time the vast majority of stock had been removed.

Senior management of Arawa Enterprises believed that the attack on their store may have been prompted by Michael Laimo, a Minister in the Provincial Government and a known landowner sympathiser. No Provincial Government Property was damaged during this period, only the Police Station and AEL's store.

A copy of the Papua New Guinea National Intelligence Organisation's file on the Buin incident is attached as **Appendix 12**. The leader of the attack is recorded by Police as "an alleged messenger of Francis Ona". It is interesting to note on Page 4A of 4A, that a Melanesian Alliance Party vehicle was used in the raid.

22nd March, 1989: Defence Force Soldiers arrive at Aropa Airport at 5:30am.

23rd March, 1989: Arawa Enterprises Ltd. despatched two trucks to Buin, under the protection of 30 armed policemen, to provide safe passage for the Manager's family and staff to leave the town.

The main retail building of Arawa Enterprises Ltd. in Buin, with its upper level accommodation, was set alight by a group of locals and the entire building was totally destroyed.

23rd March, 1989: A special committee to assist with the North Solomons crisis, was announced by the Prime Minister.

25th March, 1989: Further Defence Force personnel moved onto Bougainville Island.

26th March, 1989: The district headquarters at Torokina was burnt to the ground by a raiding gang.

26th March, 1989: Foreign journalists and diplomats were banned from North Solomon's Province.

29th March, 1989: The Water Board District Manager received numerous calls indicating that rumours had developed saying that Arawa's water supply had been poisoned. Thorough testing was carried out and the rumours were found to be false.

29th March, 1989: The first Defence Force barge arrived in Kieta with supplies for the soldiers based there.

The number of Police and Defence Force Personnel exceeded 400 at that time, with Defence Force Personnel to assist the police in the guarding of key installation areas and in intelligence gathering.

1st April, 1989: 249 rubber plantation labourers and their families left Bougainville aboard the chartered coastal vessel "MV Kris".

3rd April, 1989: It was reported that 250 non-Bougainvillians had departed Bougainville because of threats made against them by Bougainvillians.

3rd April, 1989: The North Solomons Provincial Government, together with the National Government, carried out an intensive Awareness Campaign, distributing pamphlets etc. which included an appeal to the people to cooperate and support the Provincial Government in restoring law and order. Appeals were also made through Radio North Solomons.

5th April, 1989: Road blocks are set up by the Defence Force to prevent the movement of guns, explosives and other lethal weapons.

6th April, 1989: Two soldiers, Second Lieutenant Stephen Yandu and Private Martin Romas, and two Bougainvillian landowners, were killed in a gun battle at Orami at about noon.

7th April, 1989: Arawa Bulletin report by Konio Seneka stated that he interviewed Ona, who claimed to have 500-plus followers.

7th April, 1989: Approximately 100 squatter settlers and plantation workers, all non-Bougainvillians, left Bougainville on the "MK Kris" third voyage in two weeks.

9th April, 1989: Bougainville Copper Ltd. exploratory drill was damaged in an attack by armed and masked men at 11:00am.

11th April, 1989: Defence Minister Arnold Marsipal, instructed the Defence Forces to take the initiative in the joint operations of North Solomons.

12th April, 1989: Front page headline in the *Niugini Nius* read "Rebel Ona Declares a Republic". A copy of the article is reproduced as **Appendix 13**.

12th April, 1989: A letter allegedly from Francis Ona of the Panguna Landowners Association, addressed to its Chairlady, was despatched. Once again the letter reaffirms Ona's desire to break away from Papua New Guinea. The letter is enclosed as **Appendix 14**.

15th April, 1989: Power transmission Tower No. 40, toppled with the use of explosives at 1:00pm.

16th April, 1989: The Tinputz Police Station, as part of the District Office, was set alight. Eye witnesses confirmed that the fire started in the Police Station. No one was seen in the area before the fire and no one then or since, claimed responsibility.

16th April, 1989: The North Solomons Provincial Government Toyota Hilux Utility was burnt by a gang.

16th April, 1989: 3:45pm., power restored to the Panguna mine. Production recommenced.

18th April, 1989: One youth was killed and 130 people were rendered homeless after a police raid on Donsiro village. 22 houses and betelnut and coconut trees were allegedly destroyed by the police riot squads. The Regional Police Commander, Tony Wagambie, said that the raid took place after approximately 20 "militants" attacked four policemen on duty at the Bougainville Copper Foundation Camp at Kobuan.

A Kerei villager John M. Bona, aged 26, was shot in a confrontation with police.

23rd April, 1989: A soldier and a police officer were both wounded when shots were fired at a police van as it travelled along the Spespie Highway.

25th April, 1989: BCL issued a press release in which it stated that it had applied to the National Court of Justice on Friday 21st April, over the payment of compensation to landowners. The press release referred to a dispute between landowners as to the method of compensation for social inconvenience. It pointed out that some landowners were not satisfied with the payments being made to the Road Mining Tailings Leases Trust Fund.

The release stated that the proceedings highlighted the company's desire to meet its obligations to pay compensation to landowners and indeed the amount in dispute was paid by the company into an interest bearing account pending further order of the National Court.

26th April, 1989: The government announced the formation of a Bougainville "package" details of which was not to be disclosed until after they were presented to the landowners.

An Australian company was contracted to supply a Sikorski-76A helicopter and pilots.

28th April, 1989: The letter referred to under 12th April, 1989 date heading and reproduced in Appendix 13, was printed in the Post Courier on 28th April, 1989. The *Post Courier* stated that they believed the letter to be genuine. A copy of the letter, which appeared in the Letters to the Editor Section, is reproduced in **Appendix 15**.

28th April, 1989: It was reported in the *Arawa Bulletin* that leaders of the Hilia community called for a province-wide referendum to determine the future destiny of North Solomons Province. The paper also reported on a death threat against Administrative Secretary Mr. Peter Tesiamalili from the Bougainville Revolutionary Army. The threat was to kill Mr. Tesiamalili if he did not withdraw security forces and declare Bougainville a republic.

30th April, 1989: The Bougainville Justice and Peace Committee despatched an urgent appeal to Amnesty International Headquarters in London, asking for investigations into alleged human rights abuse on Bougainville Island.

4th May, 1989: Details of the Bougainville "package" were published. These included the construction of roads, schools and health facilities. The five year program amounted to approximately PNK200 million. In addition to this there was a PNK5 million special grant to be made to the Provincial Government as an unconditional grant annually. There was also to be a redistribution of royalty payments. Previously 95% was made to the Provincial Government: under the new proposal 80% was to go to the Provincial Government, 5% in cash to landowners, and 5% for village projects; a further 10% was to be invested in a fund for future generations. The equity proposal offered by the Namiliu Government offered 4.9% total equity.

5th May, 1989: Police Minister Mathias Ijape was reported in the *Post Courier* as stating that the militants numbered approximately 150 men. The report also stated that the militants were being surrounded and starved out.

6th May, 1989: A news blackout for North Solomons Province was enforced.

7th May, 1989: Private John Buka from Manus Province was shot by villagers in the Kongara area.

9th May, 1989: The first warning of the implementation of a State of Emergency was made. (*Post Courier*)

12th May, 1989: Three soldiers, Corporal John Mikina, Private Warola Warola and Private Rodney Sholton, were injured in an ambush mounted by militants at Sipuru. As a result of the ambush, the soldiers withdrew to their base camp at Aropa.

13th May, 1989: The Panguna Landowners Executive and North Solomon's Premier Joseph Kabui, were reported as having said that the Bougainville "package" was being favourably considered by the landowners: however, landowners were seeking an immunity for Francis Ona.

14th May, 1989: Damage to water tank at Buin High School

15th May, 1989: At 10:30am. a group of labourers employed by a sub-contractor to BCL, were attacked with spears and other weapons. Two of the labourers received serious wounds and were hospitalised.

15th May, 1989: At about 11:00am. a BCL light vehicle was stopped by three armed youths who ordered the company employees away from the vehicle and then set it alight.

15th May, 1989: Arson to BCL dozer at Moroni.

As the above three incidents occurred in the southern perimeter area of the mine, in a relatively remote area, the company immediately transferred all employees from the outer pit area to other duties.

15th May, 1989: The Bougainville Miners Workers' Union, requested its members to withdraw their labour and sufficient of them did so for mine production to halt at 1:00pm.

15th May, 1989: The Kieta District Court approved payments of the social inconvenience group to landowners direct. Approximately 30% of the latest social inconvenience payments, mostly relating to the lower tailings area, were paid to the RMTL. The remaining 70% was paid direct to the landowners.

16th May, 1989: Militants burnt the home of the Premier's brother and also attacked other property belonging to the Premier's family.

17th May, 1989: Cabinet decided against declaring a State of Emergency in Bougainville at this time.

17th May, 1989: A petrol bomb was thrown at an explosive magazine to the south of the open cut mine, but it failed to cause any damage.

17th May, 1989: Six militants were arrested and two guns confiscated together with a quantity of ammunition at 8:00am. on the road adjacent to the Aropa Airport.

17th May, 1989: Arson damage to BCL Shovel No. 4.

18th May, 1989: The North Solomons' Provincial Government unanimously endorsed a provincial select committee's recommendation to oppose secession.

18th May, 1989: Bolave Community Office damaged by arson fire.

19th May, 1989: A letter was published in the *Arawa Bulletin* signed Papa Buru, concerning Aungee BRA. A second letter appeared in the same paper signed by someone claiming to be the Northern District Commander of the Bougainville Revolutionary Army, Buka.

19th May, 1989: The Prime Minister, Mr. Rabbie Namiliu, wrote to Mr. R.J. Cornelius, the Managing Director of Bougainville Copper Ltd. and to the Executive of the Bougainville Mining Workers' Union and the Staff Association of Bougainville Copper Ltd., advising that the Government assured the various bodies they would be safeguarded. To accomplish this, a further 180 Defence Force members were despatched to the area. A copy of the Prime Minister's letter to Bougainville Copper Ltd. is reproduced as **Appendix 16**.

20th May, 1989: BCL workers returned to duty at the commencement of the day shift; however, a decision was taken not to commence production activity. With the receipt of the letter from the Prime Minister, the Union and the Management decided to recommence production from the day shift of the 21st May, 1989.

21st May, 1989: At approximately 1:15am. power pylon No. 22, was felled and toppled by explosives. Power to the mine was disrupted.

21st May, 1989: At 9:15am. an Australian visitor and CRA adviser, Mr. Michael Bell, was shot outside his company supplied accommodation at Panguna. He received wounds to his abdomen, shoulder and hand.

22nd May, 1989: 7:20am., four company buses transporting employees to the mine were fired upon. Eight national employees in three buses, were injured.

22nd May, 1989: Tower No.38 was toppled by explosives at 10:40am. Although this tower blocked the road, it was cleared sufficiently to allow light vehicles to use the Port Mine Access Road.

22nd May, 1989: The Port Mine Access Road was blocked by boulders and trees.

23rd May, 1989: The International schools at Panguna, Arawa, Toniva and Loloho were closed. Community schools in Pinunana, Sipatako and Punba, joined five other community schools in the Panguna area which were closed.

23rd May, 1989: An attempted attack was made on Panguna's emergency power supply.

23rd May, 1989: Some fighting between villagers and defence force soldiers around Guava village, was reported.

23rd May, 1989: An explosion occurred in the storeroom at the aggregated crushing plant at Kumo; this is located between Birempa and Arawa.

24th May, 1989: The National Government declared a 15-day public truce in the North Solomons Province. This official statement read:

"during this period the militants are required to lay down their arms and the joint operation by police and defence force soldiers into the villages is suspended to allow church leaders to establish serious dialogue with Mr. Francis Ona, the National Government, the Panguna Landowners' Association, BCL Management, and interested parties."

24th May, 1989: The low pressure river pump station on the Jaba River was damaged by fire. The pump station provided supplementary water to the mines concentrator.

24th May, 1989: A second unsuccessful attempt was made to fell Tower No.32 at 12:50pm. The first attempt was on the 16th April, 1989. While the tower remained standing it did require some repairs to make it safe.

24th May, 1989: At 10:50am. shots were fired at police guarding the emergency power generating facility at Panguna.

26th May, 1989: At 10:00am. a police vehicle and a BCL vehicle were both fired upon as they drove along the Port Mine access road.

26th May, 1989: A press release was issued by Bougainville Copper Ltd. indicating that as it would be three to four weeks for the power to be restored, an early leave program was being planned for non-essential employees.

26th May, 1989: The Bougainville Revolutionary Army reportedly made threats against Bougainvillians and their families associated with BCL.

27th May, 1989: A Government advertisement detailed the truce which included guaranteed safety for Francis Ona and Damien Damen. Damien Damen's name had not appeared in the press before this. However, he was a well known cultist who was thought

by many to be associated with Francis Ona. A copy of the Government advertisement is incorporated as **Appendix 17**.

28th May, 1989: BCL issued a further press release in respect of the early leave program. The press release indicated the leave program was not an evacuation plan but that BCL did consider the safety of its employees as its first priority.

29th May, 1989: The Australian Government offered four Iroquois helicopters, although it was denied that this was to assist in the Bougainville crisis.

30th May, 1989: A cousin of Severinius Ampaoui, an "old" Panguna Landowners Association Member, was wounded in the left elbow in an attack on his vehicle at 8:00am.

6th June, 1989: A message was despatched to the Australian Stock Exchange with a copy to the New Zealand Stock Exchange and CRA Melbourne, stating that BCL had been obliged to notify some of its customers that a situation of force majeure had arisen. The notification however, stressed that it did not include any intention to rely on the force majeure clauses and that no shipments had been cancelled.

6th June, 1989: Francis Ona held meetings with Bishop Gregory Singkai in which he reaffirmed his demand for secession.

7th June, 1989: It was reported that Francis Ona had written to the Prime Minister. However, the Prime Minister rejected one of Ona's demands; that regarding a referendum on the question of secession.

7th June, 1989: Advertisements appeared in all newspapers advising that notices concerning early leave programs, absent employees and retrenchment had been distributed to all BCL employees.

8th June, 1989: Fire damage to Jaba River High Pressure Pump Station, estimate PNK1 million.

9th June, 1989: An address to the nation by the Prime Minister, Rabbie Namiliu, was published in the *Post Courier*. In the address the Prime Minister referred to the militants' demands for secession of North Solomons Province from Papua New Guinea and stated that no National Government could agree to such a demand. A copy of the address is enclosed as **Appendix 18**.

11th June, 1989: A BCL security vehicle was fired upon at three separate locations between Moroni village and Pakia on the Port Mine Access Road. No casualties were reported.

12th June, 1989: A shot was fired at a BCL surveyor accompanied by police, who was working along the sandbanks of the Jaba River.

12th June, 1989: An Australian expatriate, the Manager of North Solomons Agricultural Foundation, was shot at when driving along the road between Panguna and Mananau.

13th June, 1989: During an incident, soldiers shot and killed one villager and injured another.

13th June, 1989: Perpetua Serero, the original President of the "new" Panguna Landowners Association, passed away in the Arawa Hospital. She had been hospitalised with illness since 2nd June, 1989.

13th June, 1989: Itamari, who runs a private security firm in Arawa, was allegedly beaten up and his vehicle impounded by police, for aiding the militants.

14th June, 1989: Two further men, Peter Kaiapas, a local business man, and Andrew Keper, a senior employee of Bougainville Development Corporation, were attacked by police for assisting militants.

17th June, 1989: In various incidents, seven members of the security forces, a contract security guard and a farm worker, were shot and wounded by militants.

18th June, 1989: An expatriate Australian, John Price, employed by Angco as a coffee buyer, was allegedly punched and injured during police questioning. The police alleged he was assisting the landowners and the following day Price attempted to leave Bougainville. However, his ticket was not in order and he received assistance from Barry Walker, the manager of the Hotel Kieta. Walker was then taken into police headquarters for questioning as to why he was rendering assistance to such a man. Australian Diplomat Steve Harris, was ordered away from the airport as he was attempting to assist Price board the plane to Australia.

19th June, 1989: The police carried out a retaliatory raid on Pakai village on the Port Mine Access Road, during which the majority of the houses in the village were burnt.

20th June, 1989: Francis Ona wrote to Prime Minister Namiliu. In the letter Ona expressed disappointment that the matter could not be resolved and advised that he would "fight to the death." A copy of the letter is incorporated as **Appendix 19**.

21st June, 1989: An article appeared in the *Post Courier* stating that the National Government had outlawed all private armies and their activities in Papua New Guinea. The Bougainvillian Revolutionary Army was mentioned. The Minister for State, Mr. Ted Diro, was quoted as stating that the penalty for the offence would carry an imprisonment term not exceeding 14 years.

22nd June, 1989: The Cabinet announced the implementation of a State of Emergency as from the 25th June, 1989.

24th June, 1989: Attack on Mananau Chicken Farm. With the power pylons which serviced Panguna mine and other areas, being down, the Mananau Chicken Farm were forced to hire a 120KVA generating set from Wreckair in Australia. This was to supplement their 60KVA set. During the early hours of the 24th June, both generator sets were set alight after petrol had been poured over them. A building housing the 60KVA generator set, was totally destroyed. Estimated damage - PNK120,000.

26th June, 1989: Sideronsia village houses were allegedly burnt during a police raid.

30th June, 1989: It was reported in the *Niugini Nius* that more than 400 villagers surrounding the Panguna mines were evacuated into Arawa town.

30th June, 1989: Identification cards were prepared and issued to all Provincial Government employees as part of the State of Emergency.

1st July, 1989: At 1:45pm. a police vehicle at Mananau, was shot at.

2nd July, 1989: Premier Joseph Kabui and Primary Industry Minister Michael Laimo, were allegedly set upon by members of the riot squad. The tyres of the official car were shot at and the windows including the windscreen of the vehicle were smashed. According to Kabui, he was dragged out of the vehicle and assaulted by police. After receiving treatment at the Arawa Clinic, Mr. Kabui drove to his duplex, which he shares with Mr. Laimo. Mr. Laimo came to the assistance of Mr. Kabui and who was also set upon by police officers. As a result of the injury sustained, it appeared that Mr. Laimo would lose the sight of one eye. It appears the attack was carried out against both men as it was alleged by police that they were sympathisers, and in fact supporters, of the militants.

4th July, 1989: At about 6:30pm. a large group of militants, estimated up to 50 in total and aged between 15 and 20 years, appeared at both Mananau's egg farm and piggery. The militants were armed with one 22 calibre rifle, a number of home made shotguns, and some hand held spears. They rounded up Bougainville Copper Foundation employees at both sites, which are located approximately one half a kilometre from each other, and then burnt the piggery office and destroyed the packing shed and guard house at the layer farm. Two vehicles equipped with BCL radios were stolen by the militants: one was a ten seater bus, registered No. AFH-277, and the second a yellow Toyota Stout registered No. AFL-253. BCF employees believed that the people involved came from the Orami area, south of BCF's facilities. During the raid, a quantity of food rations were stolen from the canteen. The estimate for the loss was in the vicinity of PNK240,000.

7th July, 1989: It was reported, in the *Arawa Bulletin*, that 21 people had been arrested and charged with assisting and forming an illegal army and taking part as members of the outlawed Bougainville Revolutionary Army, (BRA). They were remanded in custody awaiting to appear on 14th July. The men were charged under Section 51D of the Criminal Code Act, Chapter 262, which prohibits the establishment of forces apart from PNG Defence Force, Police and Corrective Services

7th July, 1989: Defence forces secured Guava Ridge during the clashes; two militants were killed. When the area was secured, three bunkers ten to fifteen metres in length and one and a half metres wide and open firing trenches, were found. According to the report, military officials estimated the strength of the BRA platoon which had protected the ridge, at 32 men.

10th July, 1989: At approximately 1:00pm. the police who were billeted at the Kobuan Camp, mainly riot police, received a telephone call advising them of trouble in the Buin area. A large contingent of police left the camp and travelled to Buin leaving two officers to guard the camp.

Shortly afterwards a large contingent of militants attacked the camp. At the first sign of shooting it is believed that the two police officers left on duty, ran as they were greatly outnumbered. Peter Winol, originally from Kundiawa, a cook employed by SHRM Caterers, was shot three times and found dead in the kitchen.

Philip Minong, a self-employed locksmith from Rabaul, and a camp resident, was shot in the shoulder as he was attempting to flee. He fell from the fence that he was climbing and was then axed to death.

Simon Laliap from Wabag, a night cleaner at the Arawa General Hospital, also a resident of the camp, was injured during the attack and pronounced dead on arrival at the Arawa General Hospital.

10th July, 1989: A Defence Force doctor, stationed at Panguna, Doctor Manoy, was also shot in the back during the attack. Doctor Manoy was proceeding in a BCL ambulance to Aropa airport to collect additional medical supplies which were needed, when his vehicle came across the attack in progress. The Doctor was shot in the back when the ambulance he was in did a U-turn to avoid the trouble. Although he was hit in the spine by a 22 calibre bullet, he was considered lucky as it just missed his heart. The Doctor was operated on at the North Solomons Medical Foundation Clinic and his condition was later recorded as satisfactory. During the attack three four-room donga units were burnt, while a further two four-room units were damaged. Only those rooms occupied by police officers were selectively attacked. Fortunately, fifty other persons, normally residents of the camp, were away working when the attack occurred. The estimate of damage amounted to PNK200,000.

12th July, 1989: Militants disguised as riot police, made a raid at Toniva just outside Kieta, during the early hours of the morning, setting fire to a Government office, a tradestore, and a Datsun utility parked inside Rice Industries Depot. The tradestore was completely gutted before the fire was contained in the motor vehicle, the back of which was loaded with approximately PNK500 worth of rice.

12th July, 1989: Militants fired shots at two helicopter pilots and an engineer contracted to fly and maintain the Government Iroquois helicopter, as they left the Aropa Airport.

14th July, 1989: Two Bougainville Copper Ltd. employees, both expatriate Australians, were shot and injured by shotgun pellets. They were travelling in a motor vehicle along the Jaba River Road. The men involved were Michael Michoff and Lesley Bertossi.

14th July, 1989: An expatriate Australian couple, Jim and Jean Craven, were held up at their Koikoi Plantation 40 kilometres west of Panguna, by militants dressed as police officers.

14th July, 1989: After the attack on Koikoi Plantation, a similar robbery took place at Inus Plantation run by British expatriates John and Patricia Jennings-Pearce.

14th July, 1989: Parliament approved the extension of the State of Emergency on Bougainville for a further two months.

14th July, 1989: *Arawa Bulletin* reported 2,000 villagers around Espie Highway and Mine areas, had been evacuated and rehabilitated.

16th July, 1989: One militant was killed and another wounded, and a Defence Force soldier shot, during an ambush and Defence Force operation in the Diomori area.

18th July, 1989: A militant was killed and an amount of explosives and shotguns were recovered. The militant was later identified as Ambrose Leo Daderansi, the younger brother of Francis Ona. Daderansi was reported as being 24 years of age and an ex-employee of Bougainville Copper Ltd. His employment as a R170 operator was terminated on the 10th July, 1989, after he abandoned his job.

20th July, 1989: A Defence Force soldier was shot in the neck whilst travelling in the Sipuru area; a second soldier was wounded in the head in the same area.

27th July, 1989: It was reported in the *Post Courier* that the Government was allocating PNK30,000 to help evacuate highlanders from Bougainville Province.

28th July, 1989: The Arawa town authority announced it would begin pulling down vacated squatter settlements. The number quoted was 500 buildings.

28th July, 1989: The *Arawa Bulletin* reported that 2,600 people were in evacuee care centres in and around Arawa town. The displaced villagers were from the Ramba and Pirawana areas.

30th July, 1989: At 4:30pm. soldiers made contact with a group of militants and one of the group was shot dead.

31st July, 1989: Three of the Iroquois helicopters donated to Papua New Guinea by Australia, arrive in Bougainville.

4th August, 1989: Work recommenced on repairing the fallen power transmission pylons. It was hoped that the mine would reopen three to four weeks after. Many villagers and prominent businessmen on Bougainville believed that it was still too early to attempt reopening of the mine and that further attacks would be made.

1st August, 1989: Bougainville Copper Ltd. under pressure by Government to reopen.

2nd August, 1989: Minister for State, Ted Diro, advises security forces on Bougainville being reduced; Defence Forces from 500 to 400 and Police from 200 to 120.

3rd August, 1989: Minister for State, Ted Diro, withdraws earlier statement. Security forces will not be withdrawn.

4th August, 1989: Work commenced by BCL employees to repair downed electricity pylons. Two militants shot dead by security forces in the Sipuru, Kongar district near Panguna.

5th August, 1989: Two militants killed and one injured in clashes with soldiers.

7th August, 1989: Alleged death threats placed on Australians working on Bougainville for BCL.

9th August, 1989: It was reported, in the *Post Courier*, that the Panguna Landowners are seeking the entire 19.1% state equity in Bougainville Copper Ltd. for themselves.

11th August, 1989: Advertisements placed in the *Post Courier* setting out a counter-offer from the Panguna Landowners.

It is reported that Francis Ona supports the Panguna Landowners counter-offer.

15th August, 1989: It is reported that the PNG Security Forces uncovered property belonging to Damien Damen's cargo cult. Colonel Dotaona of the PNG Security Forces stated that the "50 toea Government" is suspected of aiding and harbouring the Bougainville Militants.

16th August, 1989: Security Forces kill one personnel member and wound another when their vehicle fails to stop at a road block.

18th August, 1989: It is reported in the *Post Courier* that the Government's original offer to the Panguna Landowners will not be increased.

22nd August, 1989: It is reported that the Copper Mine will reopen on 1st September, 1989. All repairs to electricity transmission lines have been completed.

23rd August, 1989: Prime Minister commends BCL on decision to reopen.

25th August, 1989: A confrontation between the militants and PNG Defence Force soldiers resulted in one soldier receiving shotgun pellet injuries to his head.

28th August, 1989: Two women killed by PNG Defence Force personnel in ambush. On the same day a militant was killed and another injured in a shoot out with police.

Militants allegedly set fire to two homes in Tamanu village in an apparent "payback" against villagers suspected of helping the security forces.

30th August, 1989: It is reported that BCL will not reopen on September 1st, as it is North Solomons Provincial Government Day, the anniversary of the Islands' first attempt to secede from Papua New Guinea.

5th September, 1989: BCL Copper Mine reopens for morning shift. At around 3:30pm. two buses transporting mine workers from Panguna Mine to Loloho were fired upon by militants. Isuzu bus ADF-776 was in a convoy of two vehicles. Three bullets passed through the windscreen and a further ten bullets struck the windscreen and front panel of the vehicle without passing through. Fortunately no one was injured. At least one bullet passed through a side window in the second bus, a Nissan AFG-366. Two passengers, both BCL mine workers sustained injuries from flying glass. After reviewing the safety of their employees, BCL issued a press release at 6:08pm. saying that the company had ceased production operations until further notice. This was in fact the last day the mine operated.

6th September, 1989: At 3:00am. tower number 6 was felled by explosives. An attempt was made to fell number 7, however only two legs were damaged and as a result the tower still stands and should be able to be repaired in situ without affecting the supply of power to the mine. Workmen commenced operation on tower 6 that morning. At about 4:00pm. militants allegedly opened fire on workmen attempting to repair the damaged pylon number 6.

The PNG Government decide to extend the State of Emergency.

Bougainville Miners Workers' Union decided not to allow its members to do any work at the Panguna mine.

At 11:00pm. shots were fired around the Sideronsi area on the Port Mine Access Road.

7th September, 1989: Shot fired at police vehicle on the Kieta to Arawa Road.

At 12:30pm. shots were fired around power pylon 32.⁴

At 6:00am. Aropa Sawmill vehicle fired upon by militants.

8th September, 1989: Militants fired at a Red Cross vehicle travelling to Bogu under military escort. One soldier seriously injured.

Ten militants attempted to blow up the Arawa Towns Water Treatment Plant at Bova Valley; security forces were able to chase up the suspects before damage was caused.

9th September, 1989: The Arawa Rugby League oval was taken over by Defence Forces as a care centre for villagers.

Temporary repairs to tower 6 completed allowing resumption of full power to the mine. The mine did not reopen.

11th September, 1989: At about 12:30am. North Solomons Provincial Government Minister for Commerce and Liquor Licensing, Mr. John Bika, assassinated in front of his family at his Toboroi home.

13th September, 1989: *Post Courier* reports that, BCL does not intend pulling out of Bougainville.

At 3:00am. a security vehicle was fired upon by militants near the Panguna Cinema.

8:07am. militants fired at a BCF bus travelling to Panguna.

The security forces arrested several people after coconut trees were felled across the Aropa to Buin Road blocking traffic.

⁴ The writer was inspecting the damage to pylon 32 when the shot was fired. Police ordered us to leave the area immediately.

14th September, 1989: A newspaper article appeared in the *Post Courier*, states that "Militant Leader Francis Ona will not talk with anyone who is not prepared to push for secession for Bougainville."

18th September, 1989: A Defence Force soldier was killed as he was attempting to lay booby trap explosives around a power pylon. An 18-year old villager was also injured when he accidentally set off one of the mines around a pylon near Kumo crusher.

22nd September, 1989: It is reported in the *Niugini Nius* that there is a K200,000 reward offered for Francis Ona and his seven deputies. These men are:

Samuel Koana,	ex-lieutenant in the PNG Defence Forces;
Philip Takaung,	also known as Philip Maribiu;
James Singko;	
David Seeto,	Francis Ona addressed his letter on 10th February, 1989, when he set out for the first time in writing his demand for secession;
Andrew Piamo,	an ex-sergeant in the PNG Defence Force;
Damien Damen,	head of the "50 toea Government" and cargo cult;
Glen Tovikiraka.	

The newspaper also reproduced in full the three pages of the Minister for State, Mr. Ted Diro's unsigned letter. Point 4 in the letter states:

"4. *Cabinet is now firmly of the view that a state of insurgency exists in the North Solomons Province with militants using sabotage, terrorism and propaganda to achieve their political objectives.*" (Appendix 20)

A letter by L.J. Daveona appears in the *Post Courier* newspaper setting out what he perceives is the involvement of the Melanesian Alliance Party in the Bougainville crises and also the Chan Brothers. (Appendix 21). These are the Chinese traders mentioned in the NIO file (Appendix 12).

22nd September, 1989: It is reported that barbed wire barriers are being erected around 62 of the 67 pylons.

27th September, 1989: Father Momis replies to Davatona's letter.

29th September, 1989: Prime Minister, Mr. Namiliu was reported as ruling out the possibility of an early resumption of the Bougainville Mine.

To assist in understanding of the foregoing, two maps have been prepared. The first **Appendix 22** is the map showing the transmission line between the power station at Loloho and the Panguna Mine. On this map are marked the locations of the power pylons which were felled, the number of the tower and the date of the attack.

Appendix 23 is a map of the lower half of Bougainville Island on which many of the towns mentioned in the preceding report, have been highlighted and named, showing the large area involved.

Conclusion

The mine never reopened and in reality there is very little likelihood of it reopening for many years to come.

oOo



INDEPENDENT STATE OF PAPUA NEW GUINEA
CURFEW ACT 1987

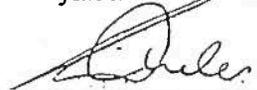
PROCLAMATION OF CURFEW

I, KINGSFORD DIBELA, G.C.M.G., K. St. J., Governor-General, by virtue of the powers conferred by Section 3 of the Curfew Act 1987 and all other powers me enabling, acting with, and in accordance with the advice of the National Executive Council, hereby require every person within the areas in Bougainville (North Solomons) Province specified in the schedule to remain within doors between the hours of Six O'clock in the afternoon (6 pm) and Five O'clock in the morning (5 am) for a period of two months commencing on and from Six O'clock in the afternoon (6 pm) on 23rd January 1989.

SCHEDULE

1. Township of Kieta, being the area within the boundaries set out in the Declaration dated 12 March 1971 and published in the Papua New Guinea Gazette No 17 on 1 April 1971.
2. Township of Arawa, being the area within the boundaries set out in the Declaration dated 13 December 1972 and published in the Papua New Guinea Gazette No 110 on 21 December 1972.
3. The Panguna mine site and all installations and buildings relative thereto.
4. Loloho.
5. Toniva.
6. Aropa.
7. The following villages:-

Coava	Sikoleiva	Kupe	Onove	Kuneka
Dapera	Kupong	Donsiro	Moroni	Koiare
Kokore	Torokina	Darenai	Parakake	
Kokoro	Pakia	Leila	Enanura	
Kavaronau	Peuari	Jaba	Damara	


GOVERNOR GENERAL

Dated this 18th day of January, 1989

Arawa Bulletin 3.2.89

Curfew confusion

Last week the Provincial Police Commander declared that the newly-introduced curfew pass system was scrapped and that members of the public travelling in curfew hours would need to explain themselves to police. If their reasons were genuine, all would be well and, if not, the offenders would be hauled off to the police station to explain themselves.

Now it seems that the system has been modified yet again.

Those who need to travel in the hours of darkness must fill in a registration form at the Curfew Operations Room at the Arawa police station. They then must either telephone or call in person to be given a file number. A new number is necessary for each separate journey made.

People are also to carry ID cards (or some means of identification) and letters from the relevant employer stating the reason for their night-time travel. These letters must be stamped at the police station.

Let's hope this system works.

Buka courts grind to a halt

A number of Buka District Court cases are being held up awaiting a Magistrate to hear them.

Mr Oslan Butul, currently the presiding senior District Court Magistrate is on transfer leave. He left early this year.

Buka District Coordinator, Mr Mathias Pihel, is the Acting Magistrate but he is only dealing with local cases.

Mr Pihel anticipates that the Magistrate's position will be filled sometime this month.

BP strike on and off

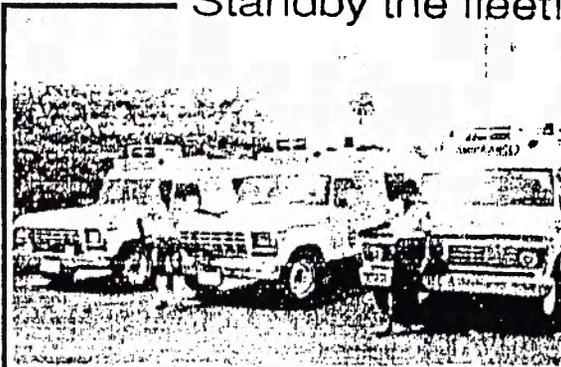
The proposed nationwide strike by Burns Philp workers was called off early this week but by yesterday it seemed that it may yet go ahead.

The strikers' union decided to postpone the strike as it may have jeopardised payment of their members' children's school fees.

However, now the union declares itself unhappy with the management's response to its demands.

In Bougainville, companies affected would be BP's Kiata shop, BP Shipping, and Ela Motors.

Standby the fleet!



Three second hand ambulances which were donated by BCL to Arawa's St John Ambulance.

Pictured in front of them are St John Service Superintendent, Mr Tony Minjahau, and one of his staff, Ms Joyce Kameka.

NO SURRENDER - but promises of bloodshed

Handwritten letter on lined paper with a stamp. The text is a message from the Pawpaw Squad of the Bougainville Revolutionary Army, refusing to surrender and promising bloodshed. It mentions Francis Ona and his supporters, and states that they are fighting for the good and right of their people and the future generation. The letter is signed by the Concerned Pawpaw Squad of the Bougainville Revolutionary Army.

Francis Ona and his supporters refuse to entertain the idea of surrender. A letter was received at the Arawa Bulletin offices this week purporting to come from one of the rebel groups situated in the Panguna bush. Calling themselves the Pawpaw Squad of the Bougainville Revolutionary Army, the letter reads as follows:

"I would like to express our concern on statement made by Assistant Police Commissioner Mr Leo Dion last week Friday's Bulletin.

He state he and his men would raid throughout the province and look for us the criminals.

Mr, I would like to tell you that we are not criminals as you have stated, but we are Bougainvillians by birth and this is our Traditional land. We are fighting for the good and right of our and the future generation. We want to show BCL and National Government that our concerns are genuine and we have waited long enough.

If we are criminals as you have mentioned, we would have killed some of your armed men already. Because your movement are watched very neatly by the Rebels. Your men are driving as on race on the Port-Mine Access Road.

Finally I want to tell you and your 300 men, you are just wasting public's money down the drain. You have done nothing for the last 2 months and will do likewise.

We will fight till we die on our Land. But before we die some of your men will die first."

Concerned Pawpaw Squad
Bougainville Revolutionary Army

Kove's death still unconfirmed

Meanwhile Mathew Kove's plight remains unknown although many Bougainvillians are convinced the 65-year-old kidnapped village elder is dead.

DM CENTRAL COMMAND

CAMP HIDE-OUT

10th Feb. 1989

Dear David Sisito,

Mi hamamas long ol hard work yu
 wok long Karim out, na mi askim bikpela long
 blessing yu wantaim ol wok bilong yu. Bai gu
 Mas tronga long ol Kaun Kaun Kiriman bilong ol
 wait Mapia. Olgeta hap long National Provincial
 na ol Kaun Business Company, pulap long em.
 Dispela emi world wide set up, so sapos yu no
 USIM Commercial sense bai yu sapos wantaim
 ol work bilong yu ta bai bakap.

Government bilong Pida emi bakap pisin
 long ol dispela pisin. Ngut, Ju lukim pisin ol dispela
 Kaun samtan. Olsem mi kat Strampela laite long
 "bruk LUSIM PAPA NEW GUINEA". Dispela rot Taso L
 bai yumi sakin laip long Bougainville Island.
 Mi lukim gut tra ol plan bilong Government bilong
 AUSTRALIA NA CRA olsem na mi lusim gut pela
 wok na family bilong mi na mi na mi waite long
 sacrificim laip bilong mi long sakin laip
 bilong future Generation bilong yumi tra long
 island bilong yumi. Sapos yumi no bruk New
 bai yumi saki stret long ol yea or Krismas
 kam. Dispela emi troppela tintim mi kat na

170

mi fedi long dai long parting ol pipol bilong mi
 Ino gat taim bikpela taim bai yumi gat
 dispela kain situation.

Mr Kabui emi stap namel long dispela
 bikpela paia bilong MAPIA olsem na emi
 bilong bikpela work tru bilong yupela olgeta
 memba long pasim em bai emi kamaut long
 dispela paia.

Dispela emi kain plan olsem: -

- (1) Break Lusum PNG.
- (2) STRIKE TOK WANTAIM BEL
 (Long Baim ol Bakarap na Rakos)
- (3) STRIKE Government

mi lusim yu nau wantaim halivim bilong
 haluspit bai yu gen kasi on gut ol vult
 olsem God Papa i Takim.

Tenk Yu Tru

MI FATHER OF NATION

Francis ONA



Oka Central Command
Camp Hide Out,

10th February, 1989

Dear David Sisito,

I am very happy with the hard work you are doing and I am asking the Lord All Mighty to bless you richly with your work so that you will be very careful with the cunning tactics of the white Mafia. Every place whether it be in the national level, provincial or in the business sector are packed with this type of people.

This is a world wide network, so if you don't use your common sense then you will fail in your work miserably and all your efforts will be wasted. The Government of PNG is already destroyed by these bad tactics and you have already seen some of this. This is why I have the greatest desire to break away from PNG. This is the only way to save the Island of Bougainville.

I have clearly seen the plans and intentions of the Government of Australia and CRA. That is the reason why I left my job and family and now I am sacrificing my life for our future generation of this Island. If we do not break away from PNG now than we will be regretting it in the future years to come. This is one of my strongest ambitions and I am now prepared to die while saving my people. There will be no time later to face this type of situation.

Mr. Kabui is now in the thick of the Mafia tactics and is caught in between. This will be a big job for you and your members to rescue him out of the cunning tactics of the Mafia.

This is what I propose:-

1. Break away from Papua New Guinea
2. Negotiate with BCL to come to our terms and conditions
3. Rectify the anomalies within the government.

I am now leaving you with the blessing of the Holy Spirit to help you carry out your work properly as desired by God the Father All Mighty.

Thank you very much.

I am the Father of the Nation
FRANCIS ONA

14/8/89

MEETING WITH PEOPLE FROM BUIN AREA.
7-8-89 WITH STEWART PRIESTLEY.

- JOSEPH TONNAKU AST ADMIN OFFICER. BUIN HEALTH CENT
- HUBERT KAVA A/DIST COMM GOV
- JOSEPH JIOW COCOA FARMER.
- PAUL MOROKANA V/CHMN MAKIS COM GOV
- JOHN MOUKO BUIN DIST YOUTH CENTRE.
- BEN BRENDIO A/DIST BUSINESS OFFICER.
- PATRICK HEROMATE A/DIST CO-ORDINATOR.

THESE ARE SOME OF THE LOCAL PEOPLE PREPARED TO ASSIST IN BRINGING TO JUSTICE SOME 150 - 200 PEOPLE INVOLVED IN THE BUIN INCIDENTS.

ALL HAVE INDICATED THEIR CONCERN ABOUT POLICE COMING TO THE AREA PARTICULARLY THE RIOT POLICE.

REQUESTED THAT I GO TO BUIN THIS COMING WEEK FOR FURTHER MEETING WITH THEM AND OTHER WITNESSES ALSO WITH SOME VILLAGE LEADERS WHO ARE WILLING TO HAND OVER THE PEOPLE RESPONSIBLE FROM THEIR VILLAGES.

FURTHER WITNESSES TO GIVE WRITTEN STATEMENTS ON MY VISIT ARE.

- MICHAEL ~~SILOU~~ TUKIOGU VILL ASSULTED.
- KAPAHIL SINOROPA HORULA VILL WITNESS
- LUKE MAMARE IPIRO " WITNESS ALSO THRETEJED GUNPOINT
- CLARE MAKONIA PANO " " " "
- MARTIN KAPIAKO TUKIOGU VILL " " " "
- POKOTU TOUNO KONUOU COMM GOV IN CAR WITH COMM CHAIRMAN
- MAUGA. ? " " " " " "
- MELANESIAN ALLIANCE PARTY M.A. VEHICLE TOYOTA HILUX DOUBLE CAB. RED. USED IN LOOTING AND RIOTING.

PALIAU EX POLICEMAN KNOWS THE IDENTITY OF YELLOW TRUCK DRIVER IN PHOTOS AND PEOPLE WHO BURN DOWN POLICE STN.

14/8/89 DOCUMENTS TABLED THROUGH COL PATONAH AT 10-ICE MEETING 15-8-89. BREAK THROUGH IN INVESTIGATION BY C.I.S. POLICE AND PNGDF TO BEGIN ARRESTS. KRMAN GREGOR SUPT

2.

LOOTING AND BURNING OF AEL STORES ~~AND~~
AND ~~THE~~ ~~THE~~ POLICE STN. BUIN.

21-3-89 TUESDAY TO 23-3-89 THURSDAY.

WITNESSED BY 2 DIST-CO-ORDINATORS
MANAGER AND DEP MANAGER A.E.L.
AEL STAFF. SECURITY PERSONNEL. 2 PUBLIC SERVANTS
AND THE DISTRICT MAGISTRATE.

SOME OF THE STOLEN GOODS WERE TAKEN TO
MR. W. SEETO'S STORE. WITNESSED.
RADIO LATER PURCHASED FROM THIS STORE HAD AEL
NAME AND INFORMATION INSIDE. WITNESSED.

MR W. SEETO WALKED FROM HIS HOUSE TO HIS STORE
WHILE STOLEN PROPERTY WAS BEING UNLOADED INTO
THE BACK OF HIS STORE WITNESSED.

THE PEOPLE UNLOADING STOLEN PROPERTY INTO
MR W. SEETO'S STORE WERE IDENTIFIED AS
WORKING FOR HIM. WITNESSED.

SUSPECTED LEADER ACCORDING TO STATEMENTS
AND SOME PEOPLE WHO TOOK PART IN THIS
INCIDENT. MONOU KONCO. MOVAKE VILLAGE,

A.	MONOU KONCA	NAMED IN STATEMENT BY JOSEPH SILOU
B.	" "	" " " BY JOHN TUMO
C.	" "	" " " MOUTA MINNOU
D.	" "	" " " ANOUKUI
E.	" "	" " " D. PIPIA.
F.	" "	" " " JOSEPH SILOU.
G.	" "	" " " KIROGAGI MONKONEI.

WANTED FOR QUESTIONING BAILOU TEBORO, MORULA.
ALSO REPORTED TO BE INVOLVED IN ARMED HOLDUP.
AT PIANO PARISH CANTEEN.. K40.00.

3.

NAMES OF SOME OF THE PEOPLE WHO TOOK PART IN THE INCIDENT, BUIN.

A. MONO KONGCO MOUAKE VILLAGE. STRONG MA. MAN.
 C. ORATOR OF GROUP.
 ONE. ALLEGED MESSENGER OF FRANCIS ONA.
 40. TONY PIRU SIMBO VILLAGE.
 DRIVER OF MA VEHICLE.

39 NAMES AS PER ATTACHED LIST.

B. JOHN TUMO MOUAKE VILLAGE.
 LAWRENCE KABAGE
 BRADLEY BUMEKO OR PURJEKO
 POHAN PINOKO
 GEORGE TOGA
 KANA KONULIA
 WARAMO KANEKO
 KAMIT POTU
 MINISIPI ANIS
 NAKAKO ANIS
 GEORGE TARAKARA
~~KANEKO~~
 NICHOLAS KURANGAI
 JOHN PINOKO

C. MONTA MINNOJ BAILONE TEHORO
 TULU LAIMO LOUMU MAGATU
 SILIM UBUM HOITUA POREITO
 ALBERT SILIM MONO KONGCO.
 UMABE KAKATUNA NICHOLAS KONE
 JOSEPH UGAMO JOHN TAIMO
 ROGER LONBAI BOGOR LONBAI
 MINSIPI ANIS KANAN BEROPANA
 TONY PIRU DRIVER MA VEHICLE.
 MONTAI MINNOJ MOKONSI PURUPO
 FUTURE LAIMO RAPHAEL KATPA KIAPA
 MANAI PERUTUI MONBE KATPA KIAPA
 JOSEPH MIKUNU JOSEPH MONTAI
 TUS KABAI
 KIROGACI MOBONEI
 PETER HOJO

WALKIE TALKIE! OWNED BY THE LATE A. NOGA
BEING MISUSED BY HIS SON. SEE MRS NOGA

STOLEN FIREARMS:

- F. { JOSEPH PRIRUAMU MORULA VILLAGE
BUMO BURULO NABAKU "
- A. { PIMAI NAISY RETURNED GUN THROUGH MEMBER OF FOROBERE.
UMAKE KATATUNA LEROOTU VILLAGE.
LOITUA FOREITA MORUA VILLAGE NOW WITH JOE FOROMU
BEMU FORUBO
DIO JOCKER (SIBIRIS OR SPIRIT)
- J. PIMAI NAISY.
- I. JOHN LAUKENO. CARRIED RIFLE.

ADDITIONAL NAMES REPORTED.

- H. JOHN LUAKENU KANAORU VILLAGE.
JOSEPH. PARU " "
TANAC PALIAU MAMAROMINO "
GABRIEL " "
BAUBAKE TANTAREKE "

ERIS OVAI PUBLIC SERVANT D.P.I. BUIN TUGIUCU VILL.
REQUIRED FOR QUESTIONING. LEAKED INFORMATION.
TO CRIMINALS IN AREA ABOUT WITNESSES.

- * ALOUIS NAKE PROV GOV MEMBER.
MARTIN BAUBAKE " " " SPEAKER.

IT WAS REPORTED TO ME THE ABOVE TWO
MEMBERS DO NOT WANT ANY INVESTIGATION
INTO THE BUIN INCIDENTS.

RR MAC GREGOR
SUPT. C.I.S.

- * WARNED HEADMASTER OF BUIN HIGH SCHOOL THAT
SOMETHING WAS GOING TO HAPPEN IN BUIN AND
NOT TO PANIC. WARNED DAY BEFORE MON 20TH MARCH

J. KARAPETUA
 WISPI Com. Unit

A.

5

THE ALLEGED LEADERS AND PARTICIPANTS OF THE BREAKAGE OF THE
 BUIN POLICE STATION AND THE AEL STORE - 21-03-89

THE SUSPECTED LEADERS

- | | |
|-----------------|------------------------------------|
| (1) Monou Kongo | - Mouake Village |
| | - Strong MA Man |
| | - Orator of the group |
| | - Alleged messenger of Francis Ona |
| | - (as per his report by ...) |
| (2) Tony Piru | - Simbo Village |
| | - driver of MA vehicle. |

THE PARTICIPANTS

Those who ordered Piru to transport the people at knife point
 (as per Piru report).

- | | |
|--------------------|-------------------|
| (1) Sipim Ubum | - Kokopo Village |
| (2) Albert Sipim | - Kokopo Village |
| (3) Umake Kakatuna | - Leroutu Village |
| (4) Joseph Uguano | - Kokopo Village |
| (5) Boger Lonkai | - Nabaku Village |
| (6) Minsipi Anis | - Mouake Village |

Those who were told to get on the car to take part.

- | | |
|----------------------|-------------------|
| (1) Minnou Montai | - Turigau Village |
| (2) Lutu Laimo | - " " " |
| (3) Manai Perutui | - Simbo Village |
| (4) Joseph Makunu | - " " " |
| (5) Tus Kakai | - " " " |
| (6) Peter Mouo | - " " " |
| (7) Kirogagi Mokonei | - " " " |
| (8) Bailou Teboro | - Morula Village |
| (9) Loumu Magatu | - " " " |

6

- 2 -

- (10) Loitua Poreita - Morual Village
- (11) Korei Kurogai - Tuglogu Village
- (12) John Tumo - Mouake Village
- (13) Kanau Berokana - Nabaku Village
- (14) Makonsi Purupo - " "
- (15) Raphael Kiapa - " "
- (16) Manke Kiapa - " "
- (17) John Poisen - Aku Village
- (18) Lawrence Kakage - Tuglogu Village
- (19) Braddy Burueko - Tuglogu Village
- (20) John Pinoko - " "
- (21) George Torokara - " "
- (22) Komba Maramo - Oriu Village
- (23) Kapeako Parum - Tuglogu Village
- (24) Kamisi Potu - " "
- (25) Nanako Anis - Mouako Village
- (26) Dominic Koukouna - Tuglogu Village
- (27) Peter Inne - Nabaku Village
- (28) Minsipi Ikai - Aku Village
- (29) Simba Uming - Haramen Village
- (30) Kanau Uming - " "
- (31) Karo Daniel - " "
- (32) Bana Kiroki - " "
- (33) Luke Tagiana - " "
- (34) Sinkai Tagiana - " "
- (35) Eris Ovai - Tuglogu Village (DPI Clerk)
- (36) Bana Joseph - Tuglogu Village (Comm. Govt
DPI Officer)
- (37) Tugiau Butubutno - " "
- (38) Moiru Korekai - Simbo Village

- 3A of 4A

WITNESSES AND VICTIMS (if Police enquiring)

- (1) Michael Bailou - Tugiogu Village *assaulted.*
- (2) Rapahel Sinoropa - Morula Village *witness*
- (3) Luke Mamare - Ipiro Village *u also threatened*
- (4) Clare Makunia - (Teacher at Piano) *witness*
- (5) ~~Thomas Nabua~~ *MARTIN KAPINKO* - Tugiogu Village *witness - threatened at gunpoint.*
- (6) Montai Minnou - Turigau (suspect) —
- (7) Pokotu Toumo & Mauga - (Konou Community Govt. Area)
in the car with Council Chairman

Those who got hold of guns from the Police Station. Others have returned them through various channels.

- (1) Pimai Naisy of Oria Village (he returned the gun by the hands of the Member for Porobere).
- (2) Umake, Kakatuna - Leroutu Village (this gun is still in his possession) (Witness Joachim Manaka of Tokuaka.)
- (3) Loitua Poreita - Morula Village (this has been transferred to the care of Joe Pirumui also of Morula. Witness: Caroluos Masiu of Morula Village.
- (4) Bemu Purubo - Nabaku Village (still in his possession) Witness: Raphael Sinoropa of Morula Village.
- (5) ~~Diwlocker~~ *or Yulu* (Sibirison Spirit) of Maramuku Village. Stole one gun. (See Aloysius Nake).

REMARKS & RECOMMENDATIONS

- The above suspects were involved in the planning stages of rioting and looting of the Police Office, Police residences and stealing of the police guns of Buin Police Station on the 21st March, 1989 at 2am.
- After looting of Police Station the suspects marched in a riotous manner and looted the AEL Store of Buin some minutes later and went through between the hours of 2am to 4am which followed by the stealing of valuable properties and liquor.
- Stealing of properties by others, which they should be termed as momot man, followed between the hours of 5am 21/3/89 as far as when the authorization was given by AEL HQ & Police on the 23/3/89.

- 4A of 4A.

4. Five shortguns recovered.
5. Melanesian Alliance Party (MA) vehicle Toyota Hilux Double Cab Red in colour was used in the looting and rioting.

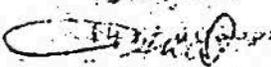
RECOMMENDATIONS

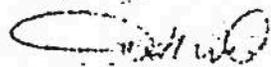
1. Police to investigate on suspects.
2. Investigation by Police should follow the normal safety precaution and is suggested here that:
 - (a) CID should be sent first.
 - (b) then if failure routine Police Patrol should be sent and if
 - (c) further failure occurs then may be riot squad should be called upon and or in the discretion of the Peace and Good Order Committee.

NB

1. Makis Community Government and his elected members with Mumia will co-operate with Police to identify the abovementioned suspects to Police.
2. Police investigation by Police should be made a priority in Buin on the basis that the life of the innocent people of which are majority are at risk. Public Servants are the target together with the innocent prominent leaders and citizen of this country on Buin District.
3. Kris, Ovai, a Public Servant with DPI Buin of Tugiogu Village needs to be investigated on for the release of confidential matters from the District Office and Assesory Committee to the suspects.

Dated This 17th April, 1989 at Buin District.


JOSEPH SIOU
Secretary


HUBERT KAVA
a/Chairman

REBEL ONA DECLARES A REPUBLIC

By JOHN APAMI

WANTED militant landowner Francis Ona has declared the Bougainville Island a republic.

The proclamation documents are now being circulated by Ona and his band of rebels being hunted down by a combined Defence Force-Police operation.

The declaration of Bougainville as a republic is now included in the set of demands by the militants which include a K10 billion payment for the Bougainville mine operation.

Niugini Nius yesterday obtained a copy of the declaration document.

Although not declared a republic, a section of a two-paragraph letter by Ona said they (militants) are from the "Republic of Bougainville".

Ona said in the handwritten note that all his demands were with the North Solomons Provincial Government.

"Please withdraw your army from this country (Bougainville). You are now on foreign land and take care of your own country PNG. We are not part of your country anymore. We have told our Premier but he failed to let your government know.

"We belong to 'Republic of Bougainville' and we are defending our island from foreign exploitation.

"You go and defend yours, you are our brothers and we do not want to fight with you," the letter read.

Defence Minister Mr Marsipal confirmed yesterday that he was in possession of the letter.

The undated letter was signed by Francis Ona.

Defence, Police and the National Intelligence Organisation are investigating the origin of the letter.



Arms smuggle probe request passed on

By ABBY YADI

THE Government is requesting assistance from neighbouring Solomons Islands and Vanuatu to assist in investigations into reports of arms smuggling for militant landowners on Bougainville.

Ambassador to Fiji, Mr Maimu Raka-Nou, who is also High Commissioner to Solomon Islands and Vanuatu left on Monday for Honiara, Solomons Islands with special instructions to seek assistance from the Solomon Islands Government and possibly that of Vanuatu to provide any information of such smuggling to the PNG Government.

The request follows reports that the Bougainville militants were using smuggled arms.

Prime Minister Mr Namaliu had personally expressed that his Government would be using its international relations to investigate the reports.

Mr Raka-Nou will meet with Solomon Islands Prime Minister, Solomon Mamaloni and Foreign Minister, Sir Baddeley Devesi to brief them of the Bougainville crisis.

Mr Raka-Nou was summonsed last week for special instruction and briefing from the Secretaries of Foreign Affairs, Prime Minister's and Commissioner of Police and Commander of the Defence Force on the Bougainville issue.

He travels to Vanuatu later this week on a similar mission.

PANGUNA LAND OWNERS

ASSOCIATION

P.O. Box 278,

PANGUNA

12TH APRIL 1989

DEAR CHAIR LADY,

I am writing to you in regards to the
our demands to both BCH and National Government.
The original issues where: (1) K10 billion environmental
compensation payment.

(2) BCH to be close.

(3) Break away from PNG.

There was no answer to all these demands by
BCH or National Government.

Our only option now is (3) break away from
PNG. Only then, we will be able to save the
lives of our people on Bougainville.

To make you aware:-

BCH Protection Authority (PA)

There are now 9 protection authorities. We
only 7, but without the knowledge of N.S.P land
owners. BCH and Government had add two new
PA's. This means that whole of Bougainville Island
is a great hole enlargement of Panguna. Life
will not exist on our island. Our very government
is hiding this fact. It will sacrifice our lives for
the sake of its economy. You members of this
nation must talk out now in order to save
your children's lives. We you Mon Folk are
doing our part hold in the jungle. Please don't
just sit and wait for us, do campaign and talk
to authorities about the matter. We will die here
in the jungle fighting for you. There is no -

P.T.O.

(2)

two-way about it. Our leaders are frightened to speak out for all of us. Please be united and walk side by side. Forget about your differences and struggle for only one goal "To save the lives of our future generation." Keep talking in the radio and news man. Tell government that time for round table talks over. We want only to break-away from PNG. So that we will matter our own lives and economy.

SHOOTING BY Government forces.

The behavior by security forces must be condemned. They have been shooting unarmed landowners. Oli wok long cut in nation ol Marki no gat wapen. Also the report over the radio that we are smuggling guns is not true. It is only a campaign by the government to get Australian Assistance. Don't believe what is said over the radio by the government.

We have block all the government forces and they can't advance that why they are asking me time and time to surrender.

Please stay firm because I will only surrender in a coffin, this is because of my children and your children of generations to come. If I don't win this war it means the lives of our future generation will not be ~~secured~~ ^{secured}.

Please always pray that our almighty father may help us to win this war.

Government.

Our members of PNG government are blinded

②

to our people and their livelihood. Mr. Kahui has fallen into the same pit with father Morris because he could not speak for himself. To make it worse the so-called Democratic Nation has been lended and now become 2nd South Africa.

This lead us to the root cause of all this facts and it is of course that this country is run by and administer by BCH. There in this company there are people in top management who have South African identities and ideologies.

This is why on the principals of apartheid. There two ^{NATIONS} countries in one, White and Black.

Facts:- Two hospitals; Two schools; Two drinking clubs, worse of all Two living standards.

We are really in a midpoint where apartheid and dictatorship type of government.

Government of PNG is not run to safeguard our lives has it was meant for but rather to safeguard the few rich leaders and white man. This is the fact that there will never be any peace in PNG. Our leaders are like clouds in the

fluo over the mountain, not knowing where they will turn into rain and eventually disappear.

Our government have no economic foundation that's why it borrows from other countries. All the money rise in the country goes back to pay those loans and leaves nothing for the Nation, so it goes on borrowing again. This will never end it will go on and on until they suck our blood and we will all die and economic death follows by an instant human disappearance from this island. The life ahead is on our fingers tips. If we lose it now it will be lost forever!

P.T.O

(4)

Our Country is losing billions every year because our leaders are ~~compt~~ selfish and negotiates with big companies at the cost of our people's pockets.

Invading

The outside dominant of business sector in the North Solomons is a clear picture that we are loose clip on our land and entitlement of freedom in business and our economy is under the outside pressure. We are living on land which is actually owns by foreigners. BCL's a pas, owns $\frac{2}{3}$ of the total area of land in N.S. while another $\frac{1}{3}$ is covered by Mt. plantations owns by USIN's Securities. A company owns big estates. This is the fact that most people of N.S.P will never see until it is too late.

Under this situations, I don't see why our leaders are tongue-tied and could not stand up and fight for our own people's rights. All it could see is a future for our children is pain, fatigue and death. I ~~only~~ wish that some leader open their eyes, ears and mouth that we may stand as one and defend our blood and safeguard lives of the our future generation. May be its too late now but it worth trying. With our almighty God, there's nothing is impossible. So pray each day all of you for our victory and success in future.

Mostly please ~~not~~ take care of my family and be kind to them every day. God only knows what comes next.

Until then dear its a goodbye and may God bless you all.

yours sincerely Francis Ona.

P.S. Please let other members read as well.

Post-Courier, Friday, April 28, 1989

Break away now: Ona

I AM writing to you in regard to the demands to both BCL and the national Government. The original issues where:

- (1) K10 billion environmental compensation payment.
- (2) BCL to be closed.
- (3) Break-away from PNG.

There was no answer to all these demands by BCL or the national Government.

Our only option now is (3) - breakaway from PNG. Only then we will be able to save the lives of our people on Bougainville.

To make you aware:

BCL Prospection Authorities (PAs).

There are now nine Prospection Authorities. We had only seven, but without knowledge of NSP landowners BCL the Government add two more. This means that the whole of Bougainville Island is a great enlargement of Panguna. Life will not exist on our Island. Our very government is hiding this fact. It will sacrifice our lives for the sake of PNG economy. You mothers of this nation must talk it out now in order to save your children's lives. We, your men, folk, are doing our part in the jungle.

Please don't just sit and wait for us, campaign and talk to the authorities about the matter. We will die here in the jungle fighting for you. There is no two ways about it. Our leaders are frightened to speak out for all of us. Please be united and walk side by side. Forget about your differences and struggle for only one goal: To save the lives of our future generations. Tell the Government that the time for round table talks are over. We want only to break away from PNG so that we will rule our own lives and economy.

Shooting by Government forces: The behaviour by security forces must be demned. They have been shooting armed landowners. Also the report over the radio that we are smuggling guns is

The following purports to be a letter from rebel leader Francis Ona to members of the Panguna Landowners Association. The Post-Courier believes it to be genuine.

not true. It is only a campaign by the Government to get Australian assistance. Don't believe what is said over the radio by the Government.

We have blocked all the Government forces and they can't advance, that's why they are asking me time and time again to surrender.

Please stay firm because I will only surrender in a coffin, this is because of my children and your children of generations to come. If I don't win this war it means the lives of our futue generation will not be secured.

Please always pray that our Almighty Father may help us to win this war.

Government: Members of the PNG Government are blinded to our people and their livelihood. Mr Kabul has fallen into the same pit with Father Momis, because he could not speak for himself. To make it worse this so-called democratic nation has now become a second South Africa.

This leads us to the root cause and it is, of course, that this country is run and administered by BCL. There are in this company people in top management who have South African identities and ideologies.

This is why on the principles of apartheid, there are two nations in one. White and Black.

FACTS: Two hospitals, two schools, two drinking clubs, worst of all, two living standards.

The Government of PNG is not run to safeguard our lives but rather to safeguard the few rich leaders and white men. This is why there will never be any peace in PNG. Our leaders are like clouds that fly over the mountains, not knowing where they will turn into rain and eventually disappear.

Our Government has no economic foundation, that's why it borrows from other countries. All the money raised in the country goes back to pay those loans and leaves nothing for the nation, so it goes on borrowing again.

This will never end, it will go on and on until they suck our blood and economic death is followed by an instant human disappearance from this island.

Our country is losing billions every year because our leaders are selfish and negotiate with big companies at the cost of our people.

INVADING

The outside domination of the business sector in the North Solomons is a clear picture that we are losing a grip on our land and our freedom. We are living on land which is actually owns by foreigners. BCL and PAs account for two-thirds of the area of land in NSP, while another third is covered by Ali plantations owned by Kina Securities, a company owned by outsiders.

This is the fact that most people of NSP will never see until it is too late.

Under this situation I don't see why our leaders are tongue fight and will not stand up and fight for our own people's rights.

All I can see in the future for our children is pain, fatigue and death. I wish that some leaders would open their eyes, ears and mouths that we may stand as one and defend our island and safeguard the lives of our future generations. Maybe it's too late now but it is worth trying. With Almighty God nothing is impossible. So pray each day, all of you, for our victory and success.

Lastly, please sister, take care of my family and be kind to them every day. God only knows what comes next.

Until then, dear it's goodbye and may God bless you all.

Yours Sincerely,
Francis Ona

PS: Please let other members read this as well.

MAY 28 '89 12:58 NDCS6(WAIGANI)

N/B +

P.002



PRIME MINISTER
PAPUA NEW GUINEA

19 May 1989

Mr. R. J. Cornelius
Managing Director
Bougainville Copper Limited
P. O. Box 1354
ARAWA
North Solomons Province.

Dear Mr Cornelius,

I wish to acknowledge receipt of your two letters of the 18th and the one that was faxed through yesterday afternoon and share the sentiments and concern expressed by you.

I would like to reiterate the commitment and assurance given by my government to safeguard the safety of the personnel and all employees of Bougainville as contained in my letter of 23rd December 1988.

As a further measure to this effect I have instructed the deployment of the security forces well in excess of 180 personnel to safeguard the security and safety of the workers and their families.

Further to that, given the additional powers that my Cabinet has accorded to the forces to deal with the situation, I am more than satisfied, that this measure is adequate.

However, I would like to emphasise that in order to achieve the climate of peace that is necessary both at the mine and in the Province all of us must be involved. I would therefore request both your management and employees to co-operate and do their utmost to take the lead to ensuring that the goal for peace and the restoration of law and order is achieved.

Once again let me assure the workers of Bougainville Copper Limited my Government's utmost concern for their safety and security.

MAY. 20 '89 12:59 NDCSES(WAIGANI

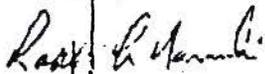
P.003

- 2 -

My office will convey this assurance to the executives of Bougainville Mining Workers Union (BMWU), and the Staff Association of Bougainville Copper Limited.

With kind regards,

Yours sincerely,



RABBIE L. NAMALIU, CMG. MP

Post-Office, Moruya, May 29, 1989



—ADVERTISEMENT—

CURRENT MEASURES TO SOLVE THE BOUGAINVILLE CRISES

The Government has already announced the fifteen day truce which came into effect on Tuesday May 23, 1989. The truce will expire on June 6, 1989.

The Government expects that during the period of truce the Militants and Francis Ona lay down arms and come to a round table meeting where all concerned parties can have the opportunity to meet and discuss their concerns in the true Melanesian Spirit of Consensus and Reconciliation.

The following conditions apply during the period of truce:

1. Meeting and Negotiation with Francis Ona and Damien Damen to take place in neutral-ground acceptable to all parties.
2. Francis Ona and Damien Damen to be involved in negotiations with others including Panguna Land Owners Association, North Solomons Provincial Government Representatives, BCL Management, Church Leaders and the National Government,
3. National Government is the principal mediator,
4. Withdrawal of security forces is non-negotiable until law and order is restored,
5. An assurance that Francis Ona will not be arrested nor harassed during the period of truce,
6. The spirit of truce to be observed by all concerned,
7. The truce will not be extended after June 6, 1989,

The principal parties mentioned above are expected to avail themselves at short notice for the proposed meeting in the event that Francis Ona responds positively.

The public is re-assured that the truce is the most humane, wise and reasonably the last option taken by the Government in the true spirit of reconciliation, compromise and peace.

HON. AKOKA DOI, CMG, MP ACTING PRIME MINISTER
DATED 27 MAY 1989.



AN ADDRESS TO THE NATION BY THE PRIME MINISTER HONOURABLE RABBIE L NAMALIU CMG MP

Fellow citizens and residents of Papua New Guinea:

I want to speak to you again on the situation in North Solomon Province.

Sodily, the genuine offer by my Government to bring about meaningful negotiations with the militant groups on Bougainville, has not been accepted by the leaders of the militant groups, even though provincial leaders gave it their total support.

Instead, this militant minority has sought to impose impossible conditions on any discussions, conditions which endanger our nation's unity and place in even greater peril the safety of innocent men, women and children in North Solomon Province.

The goodwill which my government offered, during a 15 day truce and a safe passage to the representatives during the negotiations, a generous offer, and a very genuine one as well.

By attempting to impose conditions such as secession, the withdrawal of security forces, and the continued closure of the mine, the militants have proven that they have not been genuine in seeking peaceful resolutions of the serious situation on the island.

It is doubly regrettable that the Bishop of Bougainville's sincere efforts to bring the rebels to the negotiating table, were to be respected, or supported, by the leaders of the militant group.

On behalf of the National Government, I thank the Bishop, and the Church leaders, in the North Solomon Province, for their assistance in trying to bring about a peaceful resolution to the crisis which exists.

My Government has now been left with no alternative.

Our security forces must now use the additional powers that have been given to them to restore law and order in the Province, to bring those responsible for criminal acts to justice, to enable the mine to resume operations as soon as possible, and to protect the lives, and freedom of all people who live in the Province.

I want to assure you that my Government will do everything possible to ensure the security forces use these powers responsibly, and in accordance with the laws of our country.

But given the fact that militant groups have resorted to killing innocent people, and committing acts of sabotage, and violence, security forces will be FIRM in carrying out the important, but dangerous, tasks we have given them.

I hope, and pray, that further loss of life, and injury, and damage to property can be avoided.

But, if it is necessary for the security forces to respond to the use of weapons by militants, they will do so.

I want to appeal to our security forces in North Solomon Province to protect the safety of innocent people, and to use their powers in accordance with the law.

I look to them to honor the very best traditions of our disciplined forces in discharging their duties, and in bringing about a return to peace and harmony, and the rule of law.

I also appeal to the law abiding citizens and residents of Province to support and assist our security forces during these difficult times.

One of their primary objectives is to help bring about a return to normal life in the Province, and I will be for the benefit of all law abiding people.

I also appeal to militants to individually end the violence sabotage, and to surrender to the authorities, and allow justice take its course.

Already, there has been too much loss of life, injury destruction, and damage to the economy of the Province and the nation as a whole.

This must end, it must end with the full co-operation of levels of Government, and all law abiding sections of the community as soon as possible.

I am sure you will agree that my Government has been very patient, and reasonable, in handling this very difficult and demanding situation.

It has always been our desire to preserve the unity and harmony of our nation, and that is why we have proceeded with caution.

Had my Government moved in any other way, the damage to our national unity, and harmony among our people, may never have been repaired.

That is something we had to avoid at all costs and is something we still want to continue to avoid at all costs.

We make no apology for doing so.

We do not regard this as a sign of weakness, rather it is a sign of mature and responsible Government, seeking genuine and lasting solutions, not quick-fix ones which will do more harm than good in long term.

As you are probably aware, my Government has dealt fully and fairly with all the grievances of both the landowners and the Provincial Government.

We have produced a package of measures that will greatly benefit the landowners and the people and Government of North Solomon Province. It will also address the proper concerns about the environment and future, and to overcome past neglect.

This package has been accepted by the Provincial Government, and the majority of landowners.

It provides a new era and a new deal for the Province and its people.

But let me point out that if the mine remains closed, and Government continues to lose revenue, then the very package itself which the majority of us have agreed to will be funded.

There has already been a considerable loss of revenue to the National Government through the closure of the mine, and a general downturn business activity in the Province.

At the same time, it has been a costly exercise for the National Government, its security forces, the Provincial Government and people as a result of the actions of the militant minority in the recent months.

My Government has a duty to you, the people of Papua New Guinea, not just to restore law and order in the Province, we have a responsibility to maintain the strength of our economy, our capacity to be a reliable exporter, and to enable all levels of business and industry to function, no matter who owns them.

Tragically, the events in North Solomon Province have badly affected more than the mining company. They have seen the loss of jobs, a loss of income by both national and expatriate mine workers, and they have caused a serious downturn in business activity, with small national businesses being the worst affected.

These events have also put in real danger the future of agriculture in the Province, again with the loss of jobs held by our people.

The loss of national revenue affects each and every citizen and resident of Papua New Guinea.

Bougainville Copper remains our largest individual contributor to revenue. A cut in revenue means a cut in basic services to you, and cut in jobs in the public service, and even in essential areas such health and education.

My Government will ensure the mine reopens, and the flow of vital revenue to the nation continues. We will also restore employment to thousands of workers who directly and indirectly depend on mine for their living, and to maintain their families.

One of the main objectives of the security force operation now under way will be to provide safety for workers carrying out repairs to major facilities to enable an early return to mining production.

If my Government is to maintain a balanced budget, and continue to provide you with the basic services you require, and improve benefits for the people of the North Solomons, then Bougainville Copper must resume production without delay.

This could not be done without the use of our security forces immediately.

My fellow citizens.

You will probably have heard that one of the demands of the militants has been secession, or breaking-away, from Papua New Guinea.

No National Government in its right mind could ever agree to such a demand.

The North Solomons Province is an important, and inseparable, part of the nation of Papua New Guinea.

To give in to minority demands for secession would be to destroy national unity, and to open the way for minorities elsewhere to seek the same demand.

When we acquired independence, one of the fundamentals was a decentralised system of Government, guaranteed at the initial insistence of the North Solomons.

That is why we introduced, and have continued to develop the Provincial systems as the second level of Government.

The Provincial Government system not only allows a sharing of powers it also protects the position of the smaller, more distant, Province as North Solomons.

My Government will continue to examine ways in which powers and responsibilities can be further decentralised, but we will never give in to demands of secession.

Our Constitution does not provide for secession, it provides for a unified nation.

We must all work together to keep it that way.

My Government will now implement the package of measures to benefit the people of Bougainville, and we will begin the re-negotiation of a Bougainville Mining Agreement with the Company, to take account of the rights of the people, and the changed circumstances of today, which are very different from when the agreement was made during the colonial period.

It is hardly necessary for me to tell you that we are going through a most difficult period. I do not doubt that there are difficulties ahead.

But we must bring back law and order, and a return to a peace and harmony in North Solomon Province.

We must get the mine working again, and ensure the benefits we all agreed to be delivered to the people of the North Solomons.

Above all else, my Government will guarantee the safety, security and the future of the vast majority of the people of the Province who are law abiding, and who want to resume their normal daily life.

As we do that, we need your support, your understanding, and your prayers.

We cannot afford to fail, and we will not.

Thank you for your patience, and may God bless and protect you all and our young nation.

RABBIE L NAMALIU CMG MP

COPY

Panguna Land owners Association
Guava Village
Panguna
20th June 1989

Mr. Rabbie Namaliu,
National Parliament
P.O. Box 6605,
Bovoko, PNG.

Dear Mr. Rabbie Namaliu,

I have heard your answer to our request to settle the Bougainville crisis with the most effective means. I have advised you that a positive answer was needed in order to develop a friendly friendship between us. Also we could save the lives of people and the economy of your country.

By ordering full force of law to your security forces not only put your government in a worse economic situation, but also that your name has been spoiled here and overseas for an uncontrolled security force's operation.

You are powerless against your army and its not long when the defence force will take over the government.

You must be blame for the lost of lives, harassment of people and destruction of their properties. Your security forces has past the limits allowed in the international laws of justice and peace has stated in the Geneva convention.

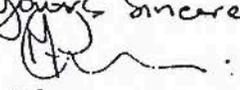
Your hungry for power will only leads you to more destruction and your leadership will fail to control the national peace and harmony. You have too much of white advisers in your government which is not accepted by most people.

P.T.O

By sending in defence force to fight your own people, you have shown a sign of weak leadership. You must be aware that I am not only fighting to save the rights of my people, but yours as well. This truth is the fact that you don't want to know and safeguard their lives.

To make it clear to you, we are going to try to defend ourselves from your well equipped security forces. We will use what ever we have on hand. We are fighting to save people so God will help us to win this war. You and your security forces will lose because you are fighting for power and money which are only mortal mens needs.

Yours Sincerely


Francis Ona

- cc. Bishop Gregory Sinkai
- Fr. John. Momiera
 - Mr. Pius Wink
 - Sr. Julius Chan
 - Fr. Ignatius Kilage
 - Leo Hammet
 - Joseph. Kabui
 - Mathias Isape
 - Don. Gulters
 - Bob. Cornedius
 - Ben Sabumei
 - Severinus. Ampoi
 - Paul Neva
 - Defence Commander
 - Paul Toian
 - Luke Pangau
 - Michael Samare



VOL. 28. 014 Friday, September 22, 1989 32 pages 30t

Cabinet puts a price tag on eight top Panguna militants

WANTED

Dead or Alive

FRANCIS ONA

K200,000

REWARD

Wanted list

- Francis Ona
- Samuel Kaona (Lt)
- Philip Takaung or Philip Maribiu
- James Singko
- David Sisito
- Andrew Piamo (Sgt)
- Damien Damen
- Glen Tovirika

THE Government's reward for the capture of Panguna militant leader Francis Ona and his seven deputies is K200,000.

This system of reward has been agreed to by Cabinet, according to an undated letter signed by the Minister for State Mr Duro.

It was addressed to the ground commander and Deputy Controller of the Bougainville State of Emergency Colonel Lina Dotaitia.

The secret document also accorded to the security forces freedom of military action to

By JOHN APAMI

try to bring an end to the Bougainville Revolutionary Army (BRA).

It said a cash reward of K200,000 is offered for information leading to the capture of Francis Ona, Samuel Kaona, Philip Takaung or Philip Maribiu, James Singko, David Sisito, Andrew Piamo, Damien Damen and Glen Tovirika.

The Ted Duro instruction also allowed the security forces to use booby traps, land mines and other explosives against the militants.

A Defence Force soldier was killed early this week as a result of the use of the explosives.

According to military sources, only the PNG Defence

Force Commander has the legal authority to order the use of explosives in military engagements because of the dangers involved.

The Ted Duro instruction also banned journalists from entering the area of operations and all press statements are to be authorised by the Ministers for State, Police, Defence and Corrective Institution.

The Deputy Controller Colonel Dotaitia has also been given adequate powers to deal with the militants and he is answerable only to the Controller, Police Commissioner Paul Toluai and the National Executive Council.

The three-page instruction read: 'BOUGAINVILLE CRISIS — GOVERNMENT DIRECTIVE' 1. Cabinet met last Wednesday

and amongst other matters deliberated for almost three hours on the Bougainville crisis.

2. Cabinet now views the killing of a Minister with concern and a major blow to security force operations and peace initiatives by the Government.

3. Cabinet now believes that a greater infiltration by the militants into urban community is being achieved during security forces' withdrawal from the bush.

4. Cabinet is now firmly of the view that a state of insurgency exists in the North Solomons Province with militants using sabotage, terrorism and propaganda to achieve their political objectives.

5. From information provided to us, the Government is now

● To page 2

Wanted to Lease

Top security exec. house in Boroko, 4 Bedrooms, 2 or more bathrooms, electric gate, high steel fence, willing to sign 10-20 years lease! Also wanted small commercial industrial workshop space close to the banks on Waigani Drive — lease with option to buy

Ring Manager:
Lahara Enterprises
25 8661.

YOUR GOOD MORNING PAPER

K200,000 reward for Ona rebels

● From page 1

of the view that BRA aims to prevent signing of the Bougainville Peace Package and prevent at all cost mine re-opening.

6. In light of recent events and in particular above considerations the Government has decided to accord you freedom of military action to bring about an end to BRA activities. The Government now wishes the security forces to take tougher measures on BRA.

7. The Government suspends all peace initiatives. The signing of the Peace Package is postponed.

8. Cabinet will consider "Partial mobilization" in the event security situation is not brought under control within

the current declared State of Emergency.

9. All press releases will be made by the Controller after clearance from any one of the Ministers below:

Minister for Police
Minister for Defence
Minister for Correctional Institution Services
Minister for State

Media personnel are not permitted into the area of operations. (AOs)

10. System of rewards has been agreed to by the Cabinet.

A cash reward of K200,000.00 on information leading to capture of:

Francis Ona
Samuel Kaona (Lt.)
Philip Takauug or Philip Madihu
James Singko
David Sisito

Andrew Piamo (Sgt.)
Damien Damen
Glen Tovirika

11. Use of infantry support weapons is left to the discretion of contingent Commanders. The Government appreciates that a state of insurgency exists in the North Solomons.

12. Security Forces are directed to step up "PSYOPS".

13. Organization of the Joint Forces Headquarters will be reviewed in due course with reason. At this point, no changes are proposed.

14. Government control over operations in the North Solomons is vested in you as Deputy Controller. You alone are responsible for success or failure of the operations, you will be answerable to the Controller and the Cabinet Com-

mittee on Bougainville Crisis.

15. The Committee recommends:-

(a) greater dispersion in troop deployment.

(b) greater security of pylons e.g. electrification, booby traps, land mines, patrolling etc.

16. Other information may follow later.

17. Over the weekend, contact number for Minister for Defence is 253842 (H), Fax number is 256117.

18. Good Luck. Happy soldiering!

Yours sincerely,
E R DIRO CBE OSLJ MP
Minister for State
Chairman, Ministerial Committee on Bougainville Crisis.

This is an open letter to the people of the North Solomons Province and Papua New Guinea.

We the Panguna Landowners want the following:

- 1). We fully support the Government's peace offer as offered with certain arrangements to be negotiated between Provincial Government and themselves.
- 2). The security forces and the militants to lay down their arms and let the National Government and BCL to start constructing the houses that were burnt down, so that our people can go back home.
- 3). That the crisis and the militant's stand no longer be based on the demands raised by the landowners.
- 4). That the landowners demands never included the issue of secession and that the landowners will not support referendum.
- 5). That the landowners have seen so much suffering of their own people as the following show and that the militants must realize this.
- 6). That our leaders like Fr. John Momis, Raphael Bele and the M.A. executive in the North Solomons have implanted the issue of B.C.L. going finish and secession in the minds of the landowners. This was evident during the meetings that were organised throughout late 1987 early 1988. The following people were always present:
 Mr. Raphael Bele (Central Bougainville)
 Mr. Joseph Kobui (Premier)
 Mr. John Momis (Regional Member)
 Mr. Chris Benga (M.A. Chairman)
 Mr. Edward Okuau (M.A. Executive)
- 7). That M.A. must explain to the people of PNG where they stand on the Bougainville crisis.
- 8). That M.A. must explain to the people of the lease areas and the people of the North Solomons in general where that new mining Co with Mr. Benedict Chan will get their P.A.S. from and whether they have appraised landowners on:
 1. Equity
 2. Details of which mill. Nat Co. is backing the Chan bras.
 3. How they would minimize the current dislocation and environmental damages now currently being experienced.
 4. Or is this major capitalistic Enterprise a move by M.A. to be read as an attempt to escalate the problem to other parts of the province or is it another carrot dangled by Fr. John and his party to save face and win the hearts and minds of people for the next election similar to last "Bougainville Initiative" which resulted in the present crisis.

Attached are the following:

- 1). Names of people who have died during crisis excluding the security force personnel.
- 2). Names of Villages where the houses were burnt during the crisis.

L. J. DAVEONA

On behalf of Panguna Landowners

VILLAGES IN THE MINE AFFECTED AREAS

- PMAR 1.** Balirima
 2. Pomaua
 3. Oonsiro
 4. Rorovana
 5. Kopel
 6. Siredonsi
 7. Pakia
 8. Borumal

- Special Mining 9.** Moroni
 10. Dopera
 11. Guava
 12. Kokore
 13. Enamira
 14. Kupel
 15. Musinau

- Upper Tailings 16.** Onove
 17. Damara
 18. Darenal
 19. Pisinou

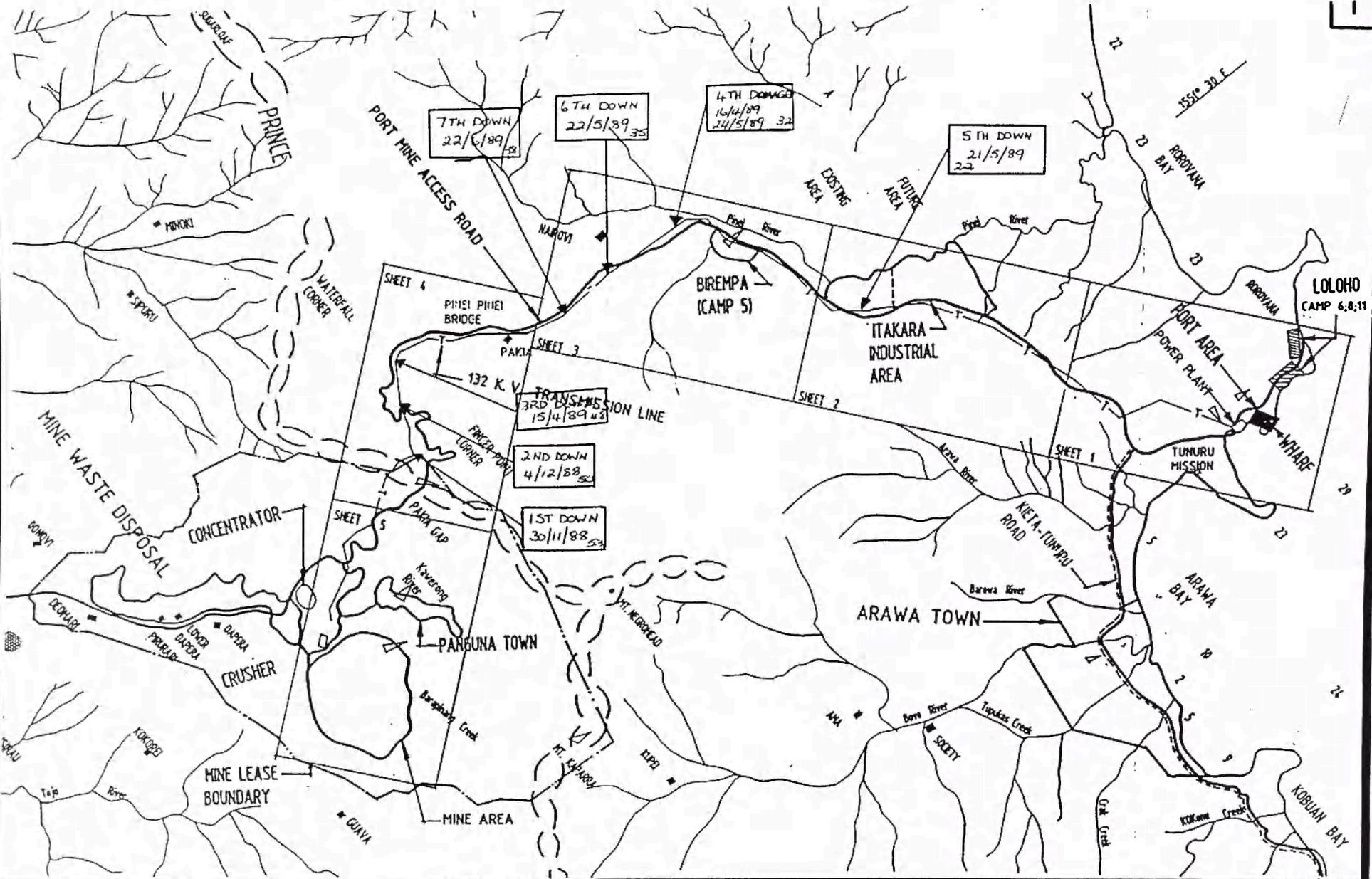
- Jaba Valley 20.** Porau
 21. Piabara
 22. Wiral
 23. Mumural
 24. Panka
 25. Irang
 26. Orami
 27. Daru
 28. Lambalam
 29. Sikoleva

- Bobong Valley 30.** Pobaele
 31. Poma
 32. Bakavori

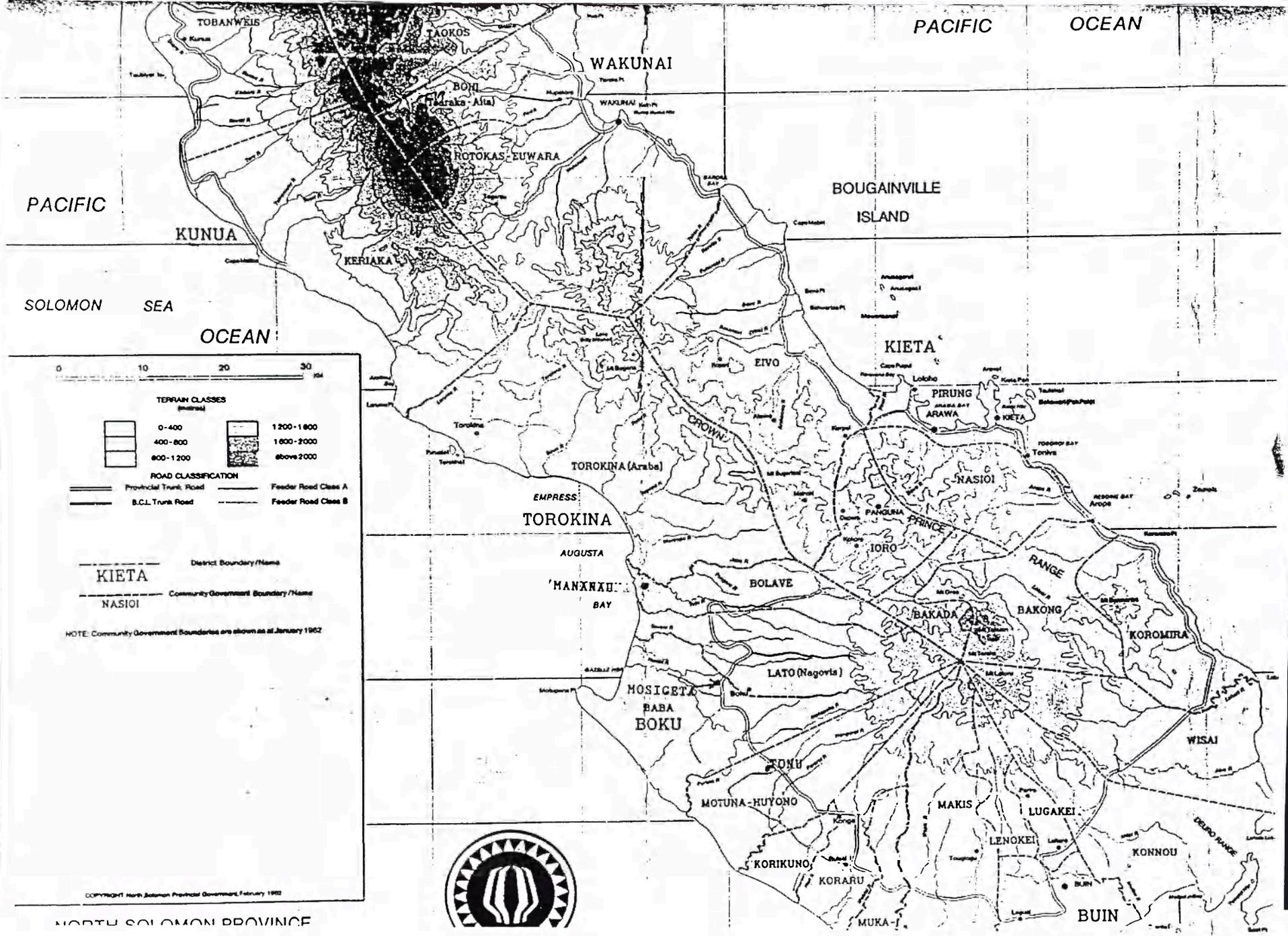
- Kurorong Valley 33.** Kakamale
 34. Malnoki
 35. Paura
 36. Sirovai
 37. Baira
 38. Alama
 39. Kanavilu
 40. Nasiwauwau
 41. Kopikiri
 42. Kopani
 43. Vilo
 44. Bovel
 45. Tarara
 46. Anganal

DEATHS OCCURED DURING THE CRISIS (AS AT 15/9/89)

1. Mathew Kove	Kurabang	Guava	Mil	21. Mathias Kauona	Dala	Orami	Sec
2. John Bika	Kurabang	Tobaral	Mil	22. Peter Baredansi	Dala	Orami	Sec
3. Anthonia Child	Barapong	Damara	Inc	23. John Tuka	Basikang	Mainokl	Sec
4. Melonaru	Barapong	Damara	Inc	24. Peter Taruplu	Kurabang	Pakia	Sec
5. Agnes Child	Dala	Orami	Inc	25. Maria Bankl	Bakorinku	Guava	Sec
6. Victoria Damen	Basikang	Irang	Inc	26. Joyce Bankl	Bakorinku	Guava	Sec
7. Teat Child	Bakorinku	Orami	Inc	27. Simon Ampona		Orami	Sec
8. Keruta Peren	Dala	Orami	Inc	28. Joseph Kamena	Dala	Tairima	Sec
9. Anthony Nonuna	Dala	Orami	Inc	29. Joachim Kaiku	Kurabang	Kokore	Sec
10. Dakumori	Bakorinku	Pakia	Inc	30. Clement Kauona	Kurabang	Pakia	Sec
11. Nickolas Nalkang	Barapong	Siredonsi	Inc	31. Karaba		Bakavori	Sec
12. Areona	Basikang	Borumal	Inc	32. Ampona	Kurabang	Kerel	Sec
13. Joyce Areka	Manta	Kopel	Inc	33. Perpetua Serero	Kurabang	Guava	Inc
14. Kamaung	Kurabang	Musinau	Inc	34. Davea Arevoka	Kurabang	Dopera	Inc
15. Kevin Duru	Barapong	Guava	Inc	35. Ienu Dopal	Barapong	Pakia	Inc
16. Mathias Sipoka	Barapong	Pistnau	Sec	36. Duaung	Kurabang	Pakia	Inc
17. Arinama Bimel	Basikang	Enamira	Sec	37. Slenung Duaung	Kurabang	Pakia	Inc
18. Mathew Miringloro	Kurabang	Musinau	Sec	38. Mena Nanuma	Bakorinku	Pakia	Inc
19. Ambrose Dateransi	Kurabang	Guava	Sec	39. Roger Jakls	Kurabang	Siorovi	Inc
20. Taruilo Simi	Bakorinku	Orami	Sec				



CLIENT APPROVAL								BOUGAINVILLE COPPER LIMITED PANGUNA - BOUGAINVILLE ISLAND - PAPUA NEW GUINEA					
DESIGNED								PMAR PLAN INDEX SHEET SCALE: PLAN No. M00-000-080					
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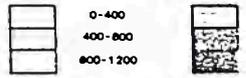
OCEAN

SOLOMON SEA

OCEAN

0 10 20 30 km

TERRAIN CLASSES (metres)



ROAD CLASSIFICATION



KIETA

District Boundary/Name

NASIOI

Community Government Boundary/Name

NOTE: Community Government Boundaries are shown as at January 1982



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NORTH SOLOMON PROVINCE



Tonu Airstrip showing trenches to prevent aircraft landing



Closeup view of Tonu Airstrip



Rebel Parliment House - Mosigeta Village - taken by Author 29 July 1989



Enlargement - Rebel Parliament - 29 July 1989

Authors Trips to Bougainville

November 1988 -December 1989

30 November 1988 - 2 December 1988

7 December 1988 - 10 December 1988

2 January 1989 - 5 January 1989

18 January 1989 - 19 January 1989

15 February 1989 - 16 February 1989

24 April 1989 - 28 April 1989

25 May 1989 - 27 May 1989

30 June 1989 - 1 July 1989

27 July 1989 - 29 July 1989

1 September 1989 - 5 September 1989

12 November 1989 - 14 November 1989