

## BOUGAINVILLE

1. *What is truth?—a retrospect*

THE interpretation of events in a country where economic and political development is proceeding apace, but where communications and literacy rates are still poor, is beset by many difficulties. Not the least of these is the difficulty of obtaining the objective facts of the current situation. For those of us interested in Niugini much of our information must come from sources which may be unreliable and in particular the Minister for External Territories, the Hon. C. E. Barnes, M.P., has recently found it necessary to criticise Press reportage of Niuginian events.<sup>1</sup> He regrets that sections of the Australian Press persist in denigrating Australia's efforts in Niugini and finds it necessary to emphasise that the Niugini Press "should not only present factual accounts of events and situations but should also exercise discretion about reporting statements which could be malicious or untrue".

It is therefore with pleasurable confidence that we may be tempted to turn to a Ministerial statement. These extracts from Hansard, specially printed under the authority of the Commonwealth of Australia, have a dignity all of their own.

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The interpretation of events contained therein may be expected, on occasions, to be one-sided but nevertheless there should be no room to doubt that those events will themselves be recounted so as to reveal the objective truth of the matter. It is the purpose of this paper to analyse a small portion of a recent statement released by Mr. Barnes with the aim of determining just how much reliance should be placed on it.

On August 12 last, following a series of incidents involving the use of 100 police to support the compulsory acquisition of land from the reluctant villagers of Rorovana, Bougainville, Mr. Barnes made a statement to the House of Representatives which was subsequently printed and publicly distributed. It was budget day and a motion to discuss Niuginian land tenure as a matter of public importance was to follow the Treasurer's speech and these were the reasons given for the Government's refusal to debate the statement. Despite this it would be far too cynical to suggest that, just because it was not to be debated, less care than normal was taken in drawing up the statement or that its standard of truth was likely to be lower than would otherwise have been the case. The statement was of about 2,500 words and I do not intend to deal with it as a whole but rather to concentrate on the two

paragraphs in which the Minister sought to outline the situation behind the actual facts of the "Rorovana Incident". Prior to doing so, however, it will be necessary to give a more detailed account of that situation than the Minister himself provided.

Since the 1930's copper has been known to occur in the hinterland of Bougainville but it was not until 1960 that the possibility of its large scale development was suggested. C.R.A. was granted prospecting licences over the Panguna and Kupei areas of Bougainville late in 1963 and in March of the following year field work began. As a result of favourable assays of stream sands the company intensified its activities and introduced diamond drills to obtain samples from the underlying rocks. By mid-1966 the existence of a very large low-grade ore body was proven but the feasibility of its commercial development was yet to be established. At that stage the company was operating under exclusive prospecting licences of two-years' duration granted under the 1928 Mining Ordinance. That ordinance did not differentiate between Crown and native-owned land and it was not necessary under it to obtain the permission either of the Mining Warden or of the owners prior to prospecting on native land. The owners were compensated for damage to their property but they did not receive any occupation fee. The people of the Panguna area early showed their resentment of this by threatening prospectors with violence. Several such incidents led to gaol sentences.

In June, 1966, the Administration introduced into the House of Assembly a bill enabling major amendment to be made to the 1928 Mining Ordinance. These provided for native land to be classified as "private" and an occupation fee payable to the landowner was introduced. Provisions for large-scale exploration and production were created under

new prospecting authorities. These may cover 10,000 square miles and in their case the occupation fee is payable only in respect of the land actually occupied. The Director of Lands, Surveys and Mines, Mr. D. Grove, in introducing the bill said that it had become necessary to amend the previous ordinance because of the changing technology of mining and in order to provide an occupation fee for ground owners. He stated that he believed that the legislation proposed was "fair and just" for the people of Niugini. Nevertheless a proposal to adjourn debate until the next meeting of the House was not acceptable to the Administration because of a rush to enable C.R.A. to be licensed under it.<sup>2</sup>

Most of the debate on the bill centred on the method of payment of royalty. The bill restated the previous legal position that the ownership of all minerals was vested in the Administration and that all royalty payments should be made to it. Many members, led by the Member for Bougainville, Mr. Paul Lapun, insisted that traditionally the sub-surface soil and all that it contains was the property of the owners of the surface soil. They could see no reason why Niugini should "slavishly follow the customs of other countries"<sup>3</sup> and urged that the bill be amended accordingly.

The Administration persisted in its view that the owners of the ground from which minerals were extracted would be adequately compensated through the payment of the occupation fee; the royalties should be for the use of the country as a whole. Several of the European members, official and private, addressed the Assembly in Pidgin in an effort to get this across for, in the view of the Member for the New Britain Special Electorate, Mr. Roy Ashton, "most members do not know what they are talking about".<sup>4</sup> The Director of the Department of District Administration, Mr. J. K. McCarthy, in a long speech in Pidgin

put the matter simply, if inaccurately:

Now I want to tell you what this bill is going to do for the people. The bill is very strong on the point of compensation which will be paid as before. The new provision is that the Government will pay the owner of the land \$1 each year for every acre a company occupies when mining for minerals. An acre is 220 paces x 220 (sic) paces. This area is known as an acre and for every acre that a company occupies the owner will receive \$1 each year. There are 640 acres in a square mile, so that a square mile is worth \$640 each year to the owner. If a company occupies ten square miles, the owner will receive \$6,400 for each year. The ground is not taken away from the owner. It still belongs to him.<sup>5</sup>

He concluded his speech by warning that "if the bill is not accepted, the mining company may be disappointed and leave the Territory".<sup>6</sup>

Concern for the welfare of the company was also expressed by Paul Lapun who used a more sophisticated argument:

The people approve of Conzinc RioTinto (Australia) mining in Kieta because they know that this company will generate other money, but they feel that they are entitled to receive payment from the company. If the people receive some royalties from the mining operations at Kieta, later on they will not say that they have been exploited by Conzinc RioTinto (Australia). If the landowners receive a share of the financial benefits then they will welcome the company.<sup>7</sup>

Accordingly Lapun proposed that the Ordinance be amended to provide that 5 per cent. of the total royalties paid under it should be payable to the owners of private land from which minerals were extracted. This amendment was not acceptable to the Administration for as Grove insisted, "It cuts right across the principle on which the mining legislation is based and that is that the Government, and thus the people of this Territory, own the minerals".<sup>8</sup> The Assistant Administrator (Economic Affairs), Mr. F. C. Henderson, stated this more bluntly: "Either the State owns the minerals,

or the private individual. There can be no compromise".<sup>9</sup> When the amendment was put, the Administration was able to muster enough support to defeat it, 30 votes to 22.

The matter, however, was not allowed to rest there for further trouble ensued following the granting, under the amended ordinance, of exclusive prospecting licences over the Panguna area to C.R.A. The people there refused to agree that they had no jurisdiction over the use of the sub-surface minerals and that they could not expel prospectors off their land. In fact five men did just that and as a result they were gaoled for a month. The whole business became a matter of heated public debate and Lapun introduced a bill at the next sitting of the House in another effort to have the Mining Ordinance amended to give the landowners 5 per cent. of the royalties. The debate was immediately adjourned until the following, i.e. November, sitting of the House.

In introducing his bill, Lapun emphasised that his people were happy to have the mine developed in their area but that they could not understand why they could be punished for expelling copper prospectors from their land. In addition they wondered why they had not been consulted as to the nature of the law passed in June. Whilst recognising that similar laws occurred in more developed countries Lapun claimed that Niuginians were not yet ready for them.<sup>10</sup> The Administration admitted that the Bougainvilleans had strong feelings about the operations of the mining company which could not be ignored. However, Grove claimed, these feelings were due to a total opposition to the development and were not related to royalties. "(T)hey do not want royalties; they do not want money for damage caused to their land; and they do not want the occupation fees which the law says the company shall pay to them. They simply want the company to go away."<sup>11</sup>

It became obvious during the debate that many members of the House had changed their opinion about royalties since they had last debated the matter. For this the Director of Public Health felt it necessary to castigate them:

After passing the law members went back to their home areas and in discussing this law the influence of the old tribal customs became more important than the needs of this developing country. These ideas, like those of fighting, are very parochial and relate to the importance of the village and tribe, but disregard the importance of this country.<sup>12</sup>

He, like many other official members, persisted in implying that the rate of development of Niugini would necessarily be slowed down if a proportion of royalties was paid to individuals rather than to the Administration, even though the Member for Kaindi, Mr. A. C. Voutas, had sought to point out that this was not so.

(Mr. Grove) suggested that a dollar given to the Government would be more beneficial to the nation than a dollar given to the owner of the land. . . . This is only so under certain conditions. A dollar given to the private sector will increase effective consumer demand or increase investment demand. In either case, there will be an upward shift in the Gross National Product and, unless Mr. Grove can demonstrate that, under all conditions, a dollar spent in the public sector will generate a greater increment in the gross national product than a dollar spent in the private sector, then he has no right to use this argument.<sup>13</sup>

Sound though Voutas' economic argument was it probably had little impact on most members. They were more concerned that "during the last few months it has become evident that there is a widespread feeling throughout the Territory that visible justice has not been done by the present legislation"<sup>14</sup> and they felt that the payment of a portion of the royalties to the land owners would help overcome this. The Administration continued to insist that this would breach "the principle that all of the minerals

should be exploited for all of the people in the country"<sup>15</sup> but this time it was unable to muster sufficient support to have its way and the bill was passed by 31 to 21 votes, eight members having changed from their previous position of opposition to the payment of royalty to the land owners.

During the debate one of the Administration's supporters, Mr. Zure Zurenuoc, Member for Finschhafen, had provided an interesting insight into the Minister's attitude to the mining laws:

When we went down to Australia during the English course for the members at the beginning of this year, we all met in the Sydney office of the Department of Territories and I said to the Minister: "Mr. Minister, I feel that our Land Ordinance will have to be changed and that we should have one similar to the United States Mining Ordinance"<sup>16</sup> . . . The Minister was very surprised and said: "No, Mr. Zurenuoc, not while we are governing you. You can have it when you have your own government".<sup>17</sup>

However, despite this, and although Canberra found it necessary to return the legislation to the House of Assembly because of drafting technicalities, the Governor-General did not disallow the bill. Thus the amendment was incorporated into the Mining Ordinance and 5 per cent. of the royalties became payable to the owners of land from which minerals are obtained. There was not, however, an immediate change in the attitude of the people of Panguna towards C.R.A. and as a result Grove made an official statement to the House of Assembly on March 9, 1967, giving a progress report on activities at Bougainville. He especially highlighted the company's welfare programme for the local people and went on to deplore the fact that, far from welcoming the company, they were actually opposing the renewal of the company's prospecting authorities. In addition they were refusing to assist in the delineation of their land boundaries and "as a result some of the money de-

posited with the Warden by the company for payment of occupation fees and damages cannot be distributed".<sup>18</sup>

On June 8 at the next sitting of the House Grove introduced the Mining (Bougainville Copper Agreement) Bill. The purpose of this was to obtain the approval of the House to an agreement which had been signed two days previously by the Administration and Bougainville Copper Pty. Ltd. (a subsidiary of C.R.A.). The agreement was complex and had been drawn up after "18 months' hard bargaining between the company and the Government".<sup>19</sup> It required that the company continue its investigations in the Bougainville area and, if feasible, set up and work the mine. In return the Administration guaranteed "to provide, in due course, the necessary extensions of its prospecting authorities and the necessary mining and land titles".<sup>20</sup> In addition the Administration promised the company a three-year tax holiday once the mine became operative. Debate on the bill was adjourned until the next, August, sitting of the House so that members could have an opportunity to study the agreement. Although two or three members then expressed some reservations about aspects of the financial details of the agreement it was generally well received. Lapun stated that it was a "good bill" and that the "people have seen Conzinc RioTinto (Australia) working and have begun to realise that it is doing a good job"<sup>21</sup> but he went on to warn that the company should not extend its area of operation without first being invited to do so by the local people. The bill, after a short debate, was passed on the voices.

Throughout the next year unrest continued in the Panguna area. In March, 1968, the United Nations Visiting Mission, whilst at Bougainville, received complaints that the mining activities there were disturbing the people. The Administration, too, was criticised for using the

police to assist the company.<sup>22</sup> The Mission report also stated that "since some 700 owners have refused to accept the compensation, it has been placed in trust for them".<sup>23</sup> On July 19, as fears developed that C.R.A. would be requiring additional land for a town site near Panguna, a meeting was held in Kopei village at which the people complained to their local member, Paul Lapun, that:

We are becoming angry and cannot understand what the Administration is doing to us poor people in this part of the country. Instead of approaching us politely to tell us about the development of the copper industry by Conzinc RioTinto on Bougainville, they come to us with an armed police force, sometimes 30 of them or more, to frighten us so that we will allow them to do what they want with our lands.<sup>24</sup>

On March 14, 1969, C.R.A. formally applied for a special mining lease under the agreement and a week later the Administration announced its intention of resuming land for town and port sites on the coast near Kieta. It was only after this that the coastal land owners seem to have realised that their land, as well as that of the hinterland, was subject to resumption under the agreement. As a result protest meetings, including one at Kieta attended by 1,200 people, were held on the coast. On May 3 the Acting Assistant Administrator (Economic Affairs), Mr. A. P. J. Newman, broadcast from the Administration radio station at Kieta an attack on Lapun, claiming that he had been stirring up trouble for purely selfish reasons. A few days later 200 people are reported<sup>25</sup> to have stormed the C.R.A. campsite near Panguna.

On the first day of the next meeting of the House, June 16, Newman presented a long official statement detailing the measures being taken by the company and the Administration to bring the copper mine into production. After reading the statement he formally moved "that the House take note of the paper".

The first speaker after him in the adjourned debate moved that the motion be amended by adding to it:

and fully endorses the huge Bougainville copper venture as being a major and essential development in the economic future of the Territory.<sup>26</sup>

This was generally supported by the speakers who followed, but several emphasised that the matter of land ownership seemed to have been mishandled in important respects. The Member for the Southern Highlands felt that the agreement may have been faulty in this way and suggested that in future agreements "we should take particular care to ensure that we are not going to be bullied or rushed into anything that will cause similar situations to that which we are currently experiencing in Bougainville". He emphasises that in Niugini if land matters are to be adequately dealt with, much time must be devoted to negotiation. "It is not possible to go into an area and say to them today, 'We want this area of land: we are coming back tomorrow and we want your decision'."<sup>27</sup>

The amendment was passed on the voices and immediately Lapun moved that the new motion be amended by adding to it—

but requests that, prior to the acquisition of any native lands whatsoever in connection with CRA on Bougainville, the Administration should hold consultations with the Company and all landowners in the general area, in order to discuss land values and compensation levels for economic crops.<sup>28</sup>

He claimed that the amendment was in accord with the wishes of the people of Bougainville who would like to see Government officers sitting down with them to discuss problems and trying to settle disputes properly. He implied that this might require the use of the local language.

Newman stated that the amendment was acceptable to the Administration and it was carried on the voices but im-

mediately after this the House broke into considerable confusion as the Speaker sought to close the debate. The amended motion was agreed on the voices only after a vain attempt by Voutas to raise points of order and a futile attempt by the Assistant Administrator (Services), Mr. L. W. Johnson, to rescind the previous vote. The Speaker refused, too, to rescind the passing of the original question after the final vote had been taken.<sup>29</sup> The next morning the Speaker apologised for the confusion of the previous evening and for his failure to have taken a point of order. The confusion, he pointed out, followed "the passing of one amendment followed by another amendment, and the report being amended by the amendments passed".<sup>30</sup> An understandable enough mistake!

For the rest of that month and for all of July the Administration continued its efforts to persuade the people of the coastal village of Rorovana to sell 175 acres of land for a port site. These efforts were fruitless and the Administration compulsorily acquired the area. On August 1, surveyors commenced marking out the boundary of the land, and despite the 100 police sent to the area, 20 women succeeded in removing and carrying away a survey peg. Four days later there was a violent incident involving 65 men and women and 70 police. During this the riot squad employed batons and tear gas and it was this which led to the ministerial statement of August 12 to which we now turn. The Minister outlined the situation behind these incidents as follows:

For many years there has been some knowledge of the mineral wealth at Bougainville Island but it was not until 1960 that an Administration geologist reported the possibility of a major low-grade copper deposit. Conzinc RioTinto of Australia Ltd. began prospecting the area in 1964. In 1967 after more than 12 months of negotiation an agreement was signed between the company and the Administration. This agreement was tabled in the Commonwealth

Parliament. It was debated in the Territory House of Assembly and a ratifying Ordinance was passed by the House. The House consisted of 54 elected and 10 official members. The House also amended the Territory mining legislation so as to provide that 5 per cent. of all royalties for minerals should be paid to the owners of the land from which the minerals were taken. This was accepted by the Government.

In June of this year the Territory House of Assembly (now consisting of 84 elected and 10 official members) debated a comprehensive White Paper on the Bougainville project and again endorsed it. The motion passed by the House on this occasion described the project as "a major and essential development in the economic future of the Territory"<sup>31</sup>

Both of these paragraphs are true in every detail and yet they seem to me to be highly misleading.

As I have outlined, the amendment to the Mining Ordinance was passed only after a long struggle with the Administration and after several members had changed their minds following consultation with their constituents. They realised what an explosive issue land ownership was. Throughout this period the Administration was engaged in drafting the agreement, and in fact it was not signed until seven months after the Administration had been defeated on the royalty matter. And yet the Minister, by referring first to the agreement and then to the amendment of the mining legislation, gives the false impression that the amending legislation was passed either at the same time as the agreement was approved, or even at a later date. By doing this and at the same time glossing over the way the Administration had fought the royalty payment the Minister may have been endeavouring to prevent a powerful criticism of the agreement: the agreement was drawn up by men insensitive to the intensity of Niuginians' feelings for their land.

In the second paragraph Mr. Barnes has quoted only a portion of the motion passed by the House. He makes no reference to Lapun's amendment which seriously qualified the approval given by

the House to the Bougainville project and which had particular relevance to the situation which had given rise to the Ministerial statement. It is difficult to believe that such an omission was unintentional.

Of course whether the Minister's paragraphs seem misleading will probably depend on the way one looks at the whole affair. Mr. Barnes may well feel that my retelling of the story is more misleading than his. In the end one must seek to answer for oneself the question posed so long ago: "What is truth?"

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