

## THE BOUGAINVILLE CRISIS\*

The Bougainville mine, in Papua New Guinea's North Solomons (formerly Bougainville) Province, is one of the world's largest gold and copper mines. In recent years it has accounted for around 40 per cent of Papua New Guinea's exports and between 17 and 20 per cent of government revenue. Ever since mining exploration began on Bougainville in the 1960s, however, the presence of the mining company has been a source of resentment amongst the local people in the Panguna area, as well as for many Bougainvilleans not directly affected by the mining operations. Opposition to mining development was a major factor in the emergence of a secessionist movement on Bougainville in the late 1960s. Melanesian people have a deep attachment to their land and, notwithstanding a complex structure of compensation payments, many Bougainvilleans feel that the development of the mine has robbed them of their land, irrevocably changed their way of life, and left them with little of the wealth they believed the mine would bring. As a prominent member of the Panguna landowner group said in 1989: 'Land is marriage – land is history – land is everything. If our land is ruined our life is finished' (Perpetua Serero, quoted in *Post-Courier* 1 May 1989).

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Towards the end of 1988 the longstanding antipathy of landowners towards the mining company, Bougainville Copper Limited (BCL), erupted into violence. A group of militant landowners took to the bush and began a campaign of sabotage and harassment of mine employees. In December the mine was forced to close, briefly, and subsequently a curfew was imposed in the main towns and the mine area in an attempt to contain the conflict.

In March 1989 riots broke out in the town of Arawa after a Bougainvillean woman was killed by migrant workers from the Papua New Guinea mainland and two mainlanders were killed in retaliation. Although these incidents were not directly related to the dispute between landowners and BCL they revived separatist sentiments on Bougainville and strengthened popular support for the militant landowners. There was considerable tension on the island following these riots and Papua New Guinea Defence Force (PNGDF) personnel were brought in to support the already augmented police forces in maintaining law and order while representatives of the national and provincial governments attempted to negotiate with the militants. Shortly after, an army patrol which had arrested several dissidents was ambushed and two soldiers and two villagers were killed. It was subsequently reported that security forces had launched a 'full-scale military operation' against the rebels.

On 12 April 1989, *Niugini Nius*, one of Papua New Guinea's two daily newspapers, published an undated letter from the leader of the militant landowner group, former BCL employee Francis Ona. In it he set out the revised demands of the militant group, which included compensation of Kina 10 billion (about \$US12 billion) for environmental and other damage caused by BCL's operations (BCL claims that this is more than double the total revenue generated by the company since mining commenced in 1967), 50 per cent of all profits, and the withdrawal of security forces. The letter went on to state: 'We are not part of your country any more . . . We belong to the Republic of

Bougainville and we are defending our island from foreign exploitation.'

Despite a substantial police and military presence, continued guerilla activities against mine installations and employees forced the closure of the mine in May 1989, and it remained closed throughout the year. With the security situation largely unchanged, in January 1990 the mine was placed on a 'care and maintenance' basis and the company began to evacuate its employees from Bougainville. Although the national and provincial governments and representatives of the landowners agreed on a 'peace package', which promised increased compensation and development funds to both landowners and the provincial government, the militant landowner group rejected the terms of the government's offer and maintained an effective guerilla campaign against the mine and in defiance of the government security forces.

In March 1990 a ceasefire was negotiated and the national government began a withdrawal of its security forces. The government also promised a further transfer of powers to the provincial government.

### **The basis of landowner demands**

When, in 1964, Conzinc Riotinto of Australia (CRA) began mineral exploration in the area of the Bougainville mine, it met with resistance from landowners, some of whom were arrested for damaging CRA property. There was also resistance to the forced appropriation of village land for the development of port facilities for the mine. However, with the promise of compensation, assurances that the mine would bring benefits to the people, and threats that the government would act against troublemakers, most of the villagers became, in the words of the CRA consultant anthropologist, Douglas Oliver, 'resigned more or less disconsolately to what they regard as another example of the white man's cupidity, deceit and irresistible power' (Oliver 1973:162).

In the early stages of mining exploration and development, compensation was paid to landowners under a series of ad hoc arrangements and provisions of the amended *Papua New Guinea Mining Ordinance*. Between mid-1966 and the end of 1969 some 350 claims for compensation were heard by mining warden's courts and a schedule of compensation payments was drawn up. Following the company's decision to go ahead with the mine development, separate leases were negotiated to cover access roads, the mine area, and an area for mine waste (tailings) disposal. The leases were granted despite a legal challenge by villagers in the mining area which was disallowed in the High Court of Australia. In response to a demand for royalties, the Bougainville Agreement of 1967 between BCL and the Papua New Guinea administration provided for payment of 1.25 per cent of the value of exports, of which 5 per cent was to be distributed amongst landowners and 95 per cent paid to the government (initially the national government but after 1974 the provincial government).

The construction of the mine and the mine access road produced a new spate of claims for compensation. Bedford and Mamak estimated that between 1968 and 1974 some 2654 compensation payments were made to Bougainvilleans, amounting to \$A1.6 million (Bedford and Mamak 1977). The system of compensation payments which developed in the years from 1968 was, however, extremely complex and highly contentious. Most of the payments, moreover, were quite small and in many cases were once-off payments. Their distribution amongst communities, and within communities (most payments being made to a head of family) amongst individuals, was very uneven.

In 1979, a Panguna Landowners Association (PLA) was formed amongst customary landowners in the roads, mine and tailings lease areas, primarily to press for a review of the compensation arrangements. Following a confrontation between landowners and BCL, which resulted in a minor riot and the looting of the Panguna supermarket, an agreement was drawn

up in 1980 which incorporated all existing compensation payments, introduced some new forms of compensation and a price indexing formula for recurring payments, and established a Road Mine Tailings Lease Trust Fund (RMTLTF) into which portions of certain payments were to be made. The intention of the new agreement was to consolidate the various forms of compensation that had developed, discourage new claims, and achieve a greater degree of equity in the distribution of payments.

The 1980 agreement, however, did not resolve longstanding dissatisfaction with the level and direction of compensation payments. Moreover, it created another problem. The RMTLTF was created as a fund into which certain payments would be directed with a view to establishing capital for income-generating investments and other benefits for landowners in the lease areas. It comprised 75 landowner representatives and was administered by an eight-person executive committee. Initially, with a capital of Kina 1.3 million, the fund appears to have run harmoniously, investing in interest-bearing deposits and making loans to its members. There was, however, a substantial write off of bad debts in these early years and when in 1983 the chairmanship of the RMTLTF changed, a non-Bougainvillean manager was appointed and a stricter financial regime was instituted. Fewer loans were made to members and funds were mainly invested in local businesses, real estate and plantations. But, while the RMTLTF's assets and income increased under this new regime, members themselves received less and soon began to complain that the executive was not using RMTLTF funds for the benefit of the landowners; executive members were accused of mismanaging the fund and taking the money for their own purposes.

This disagreement within the landowner group reflected in part a growing split between an 'old guard' and the younger generation of people who not only resented the presence of BCL but also believed that the older generation had largely acquiesced in BCL's takeover of their land and had diverted what compensation had been received to their own ends. Some, like Francis

Ona, had indeed received little from the compensation payments.

It was in this context that a challenge to the leadership of the PLA took place in 1988 and a new phase of landowner militancy began. But the divisions within the landowner group also help explain the difficulties which the government faced in attempting to negotiate a settlement, and the tensions which became apparent amongst villages in the mine area. (One of the first victims in the armed conflict was a prominent PLA executive member, Mathew Kove, who is believed to have been murdered by his nephew. Other landowners who supported a settlement with the government in 1989 were attacked by the militant landowner group.)

Thus, in a pattern not unfamiliar to students of Melanesian politics, what appears at first to be a straightforward case of a landowner group seeking increased compensation from a mining company turns out to be a multi-layered mass of shifting elements whose motivations range from a broad Bougainville nationalism to internal family fighting.

### **The move from protest to insurgency**

As early as March 1988 a delegation of some 500 landowners, organised by the militant faction of the PLA, marched on BCL with a petition of demands. Not satisfied with the company's response the group organised a number of protests including a sit-in at the mine which caused production to stop for several hours. Explosives were stolen from the BCL magazine in April 1988, and proposed action to shut down the mine was narrowly averted late in 1988 following a visit by the national minerals and energy minister.

But things came to a head in November at a public meeting organised to discuss a consultants' report on alleged pollution from the mine. When the report refuted claims by villagers that mine pollution was responsible for the death of fish and the dis-

appearance of flying foxes (popular as food), Ona and others stormed out. A few days later armed men held up the BCL magazine and took a large quantity of explosives. In the following weeks mine installations were subjected to a series of arson and sabotage attacks: power pylons were blown up, a repeater station was damaged, and there was a fire at one of the company's maintenance depots. Workers repairing lines were threatened by armed men. Early observers expressed some surprise at the professionalism of the saboteurs; it was later revealed that one of Ona's fellow militants was a former PNGDF officer and explosives expert, Sam Kauona (a Bougainvillean, but not from the immediate mine area).

In the early phase of confrontation there appears to have been a good deal of sympathy towards Ona and the militant landowner group. The premier of the North Solomons, Joseph Kabui, himself from the tailings lease area, said in February 1989: 'The people see Ona as some kind of folk hero and champion of the Panguna land rights cause' (*Times of Papua New Guinea* 2-8 February 1989). Kabui later declared: 'I also support what he was fighting for, but not his terrorist methods' (*Post-Courier* 20 February 1989). However, as the conflict escalated, as additional police and later PNGDF reinforcements arrived, and as the inevitable toll in human lives and the destruction of houses and property increased, the extent of support for Ona seems to have become more problematic. Moreover, it became increasingly less clear who 'the militants' were. Reports suggest that by about March 1989 there were at least three elements: the original militant faction of the PLA together with a number of sympathetic (mostly younger) villagers in the mine area; members of the anti-government, cultic movement, the 'Fifty Toea Association', led by Damien Damen, from the Kongara area south of the mine, with whom the militants took refuge; and so-called *raskol* elements, gangs of petty criminals, concentrated in south Bougainville, who were ready to take advantage of the general disruption caused by the conflict. Estimates of the number of people

involved have ranged from a 'hardcore' of 75 to around 1000 (effectively, the adult population of villages in the lease area). Early in 1989 the hardcore militants began referring to themselves as the 'Bougainville Revolutionary Army' (BRA). As with many Melanesian organisations, the BRA appears to have no formal structure, but its actions against the security forces and the mine – and specifically its ability to successfully resist the PNGDF for over 12 months – suggest that it has been unusually well organised.

Initially the demands of the militant landowner group had to do with compensation – though, as noted, their figure of K10 billion was unrealistic, and the demand for 50 per cent of profits, retrospectively, scarcely less so. Failing in this, they called for the closure of the mine, and adopted terrorist activities to secure their objective. At least as early as February 1989, Ona was calling for secession and in April he claimed to speak for an independent Bougainville Republic and demanded the withdrawal of troops from 'our country'. Although the Papua New Guinea government persisted in attempts to negotiate a settlement with the landowners, as the military confrontation escalated Ona must have realised that he was on a one-way track; in response to calls to surrender he replied that he would only surrender 'in a coffin'. In June, the national government declared a state of emergency in the North Solomons, and in September a leaked cabinet document was published, which said: 'Cabinet is now firmly of the view that a state of insurgency exists' (*Niugini Nius* 22 September 1989).

Moreover, as so frequently happens in such situations, the security forces, brought in to restore law and order, soon became a major part of the problem. As early as April 1989 some 50 police had been sent from Bougainville for various breaches of discipline. There were reports of villages being burned and innocent villagers being harassed. The provincial premier, who had already been assaulted by militants, was beaten up by security force personnel, and the deputy premier was partially blinded

after being poked in the eye with a rifle barrel. A subsequent Amnesty International report confirmed claims of human rights violations and police and army brutality. More recently it has been alleged that in February 1990 several suspected militants, including a Uniting Church pastor, were murdered by security forces and their bodies dropped into the sea from a helicopter (*Sydney Morning Herald* 8 March 1990). Such reports have shocked Papua New Guineans and longtime observers of Papua New Guinea, and have undoubtedly damaged the reputation of the police and the PNGDF. They also raise questions about the extent of government control over the security forces. More specifically, the actions of the security forces served to strengthen secessionist sentiments on Bougainville and reinforce demands for the removal of the security forces from the island.

### **The issue of secession**

The development of the Bougainville mine coincided with the emergence in Papua New Guinea both of a pro-independence nationalism and of a number of regionally based 'micro-nationalist' movements. On Bougainville, a broad sense of ethnic separateness, which drew on a clear difference in physical appearance between Bougainvilleans and mainlander 'red skins' and a feeling that Bougainville had been neglected by the administration, encouraged the growth of such movements from as early as the 1950s. During the late 1960s and early 1970s, subnationalist sentiments became more widely and more firmly established in Bougainville and there were frequent calls, if not for secession and independence, at least for autonomy. The development of the Bougainville mine was not the sole cause of this subnationalist movement but the activities of the mining company and the administration, particularly in relation to land acquisition, and the broader social impact of the mine development, most obviously the huge influx of non-Bougainvillean people,

were inextricably tied up with it.

In 1972, a Bougainville Special Political Committee (BSPC) was created, representative of local government councils, sub-nationalist movements and others in the (then) Bougainville District, to consider Bougainville's future political status. The BSPC subsequently made a submission to the Constitutional Planning Committee, calling for the establishment of a Bougainville District Government. When the national government rejected these demands there was talk of secession and thinly veiled threats were made about closure of the mine (Mamak and Bedford 1974). The Constitutional Planning Committee subsequently recommended the establishment of an interim district government on Bougainville and in 1974 this was done. When, the following year, the national parliament acting as a constituent assembly resolved to omit the provincial government provisions from the constitution, Bougainville's political leaders unilaterally declared the independence of the Republic of the North Solomons. Bougainville member of the House of Assembly, John Momis (currently national minister for provincial affairs), travelled to New York to press Bougainville's claim to independence before the United Nations Trusteeship Council. Under pressure, the national government resumed negotiations, the interim provincial government was reinstated, and an agreement was signed with Bougainville's leaders in 1976 which provided the basis for an Organic Law on Provincial Government under which a nationwide system of provincial government was established.

With the introduction of provincial government, and following the renegotiation of the Bougainville Copper Agreement in 1974, Bougainville subnationalism appeared to have declined, though a widespread feeling of separateness remained, along with general antipathy towards BCL, and pockets of active secessionist sentiment.

Thus, in early 1989 when Francis Ona challenged the authority of the national government and spoke out for Bougainville

independence, he struck a sympathetic chord amongst many Bougainvilleans. In April, a meeting of provincial assembly members and community leaders discussed the situation in the province and reports suggested that the mood of the meeting was in favour of secession. Subsequently a committee of the provincial assembly, headed by John Bika, prepared a report on the Bougainville situation. It did not support secession but called for full provincial autonomy in all areas except defence, currency and foreign affairs. (Six weeks later, on the eve of the signing of an agreement between the national and provincial governments and landowner representatives, Bika was murdered by militant landowners.)

### **The significance of recent developments on Bougainville**

Until 1988 the North Solomons Province was, as well as the richest, one of the more orderly and peaceful provinces in a country beset by problems of law and order. Its slide into militant advocacy, insurgency, and now a virtual abdication of governmental authority, raises serious questions about the capacity of the national government, and specifically about its control over the country's security forces.

One of the effects of the unrest which developed in 1988-89 was a massive migration of non-Bougainvilleans from the mine area and from plantations and towns across the province. With this, and especially following the deaths of police and army personnel in encounters with the BRA, has come a good deal of antipathy towards Bougainvilleans in other parts of the country. Many Bougainvilleans, fearing retribution, have left jobs on the mainland, and even in places such as the two university campuses in Port Moresby and Lae, Bougainvilleans have been subjected to abuse, notwithstanding a good deal of early sympathy for the landowners' demands against BCL. Within the North Solomons, too, tensions have arisen amongst Bougainvilleans which will not quickly disappear. Families have been divided

over the issue of compensation and the tactics of the BRA, provincial leaders have been killed and beaten, and some Bougainvilleans who have lost homes and property blame the militants for resorting to violence.

More particularly, the behaviour of the security forces has not only tarnished the (already questionable) reputation of police and the military but has seriously damaged relations between the national government and the people of the province. The withdrawal of the security forces and the granting of increased autonomy to the provincial government may have done something to prevent a further deterioration in national-provincial relations, but it has done little if anything for the general law and order situation on the island and appears to leave the provincial government a hostage to the BRA (or perhaps a faction of the BRA, since Kauona seems to have replaced Ona as spokesman for the militants).

Economically, the closure of the mine and the exodus of non-Bougainvilleans has had a devastating effect on business and the plantation economy within the province. Nationally, the impact of the mine's closure was cushioned by the existence of gold and copper reserves and of a Mineral Resources Stabilisation Fund. But, by late 1989, the economic effects of the conflict had become apparent, in part through an across-the-board cut of 25 per cent in national government expenditures. Optimists point to other major resource projects about to come on-stream in Papua New Guinea, but the effects of the militant landowners' campaign have not been lost in other parts of the country. Already there have been renewed demands by landowners in the area of the Ok Tedi mine, and forewarnings from the premier of Enga, where a major gold and copper prospect at Porgera is currently under development, that if Engans do not receive a satisfactory settlement they too can bring a prospective mine to a standstill. This in turn must have negative effects on potential foreign investors.

Politically, the Namaliu government wisely persisted with a strategy of negotiation with landowners and the provincial gov-

*The Bougainville Crisis*

ernment, while attempting – with little success, it seems – to keep the military on a tight rein. But others around the prime minister have been inclined to show less patience, and the failure of the government quickly to resolve the issue has done little to build confidence in a coalition government which already looked shaky.

In 1990 there was some optimism about the prospects for maintaining the ceasefire and reopening the mine. But even if this were achieved, there will be scars from the conflict, nationally and provincially. In retrospect the events of 1988-90 may well appear as something of a watershed in Papua New Guinea's political history.