

SBS Dateline (Australia)

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Blood and Treasure

It was a brutal civil war right on our doorstep and it cost thousands of lives. The conflict in Bougainville fought over the world's biggest copper mine ended 14 years ago. Now the key players - Bougainville Copper Ltd, owned by mining giant Rio Tinto and the governments of Papua New Guinea and Bougainville want the mine reopened. But SBS senior correspondent, Brian Thomson, has uncovered explosive new allegations which may complicate the current talks. The controversial claims come from the Prime Minister of Papua New Guinea, Sir Michael Somare. Here is Brian Thomson.

REPORTER: Brian Thomson

It is a land of striking beauty, a picture postcard island, abundant in natural resources.

JOHN MOMIS, BOUGAINVILLE PRESIDENT: The vast majority of Bougainvilleans, I would say over 97%, want the mine to be open. The ex-combatants, some of them are still holding on to guns, want the mine to be opened.

But as we will find out, not before they are compensated for the past. We leave by boat from the capital Buka, then it is a bone rattling five hour trip to the mine itself - a journey through battle sites and burnt-out remnants of a past that promised so much and delivered so little.

The problem for the government is there they may be attempting to negotiate the reopening of the mine - the reality is that they do not control the area around it. It is an effective no-go zone and former rebels operate a roadblock, with the assistance of former members of the Bougainville revolutionary army. We are about to attempt to negotiate our way through.

The rebel faction that man's the road block is called the Mekamui. They did not participate in the peace agreement that ended the war and they remain both armed and dangerous. On agreement to pay and \$80 fee on the way out, they allow was through on condition that one of their men keeps his eye on us.

It is not long before we pick up another passenger and this time it is someone we had come looking for. Philip Miriori is a Panguna chief and landowner. He is friendly, and suspicious.

PHILIP MIRIORI, PANGUNA CHIEF: Who are you, who are you gentlemen?

REPORTER: We are from SBS television Australia.

PHILIP MIRIORI: Spies for Australia?

REPORTER: The opposite!

And he is still scarred by the past.

PHILIP MIRIORI: You see - what happened during the crisis. It is something that does not go out from people's minds. We died for it, shed blood for it.

This is the Panguna mine, two kilometres wide and half a kilometre deep, the war ensued here after the mine was closed down. It claimed the lives of 15,000 Bougainvilleans, around one 10th of the population. The PNG government was desperate to reopen it because it provided 20% of government revenues. The people of Bougainville got a little over 1% and a degraded environment, which is why they revolted.

In 2001 in the aftermath of the war many of the islanders launched a class action in the US against Bougainville Copper Ltd's parent company Rio Tinto. The case has been bogged down for 10 years. The landowners accused Rio Tinto of genocide, citing the company's support of the blockade of the island and the military action which took place after the revolt against the mine began. The plaintiff's lawyers claiming that Rio Tinto's manager on Bougainville at the time encouraged continuation of the blockade for the purposes of starving the bastards out.

PETER TAYLOR, CHIEF EXECUTIVE, BOUGAINVILLE COPPER LTD:
I have read that. It is one of the allegations. I know personally that the top people that were managing the company at the time....

Peter Taylor is the chief executive of Bougainville Copper Ltd. He told me he has personally investigated that claim and is convinced it is not true.

PETER TAYLOR: I have asked them about this and no-one knows

anything about it so I do not know where that came from. It just does not make sense because really the Bougainville people were the people we needed to work with and we wanted them on side, not offside.

PHILIP MIRIORI: There was a big mountain there.

REPORTER: In order to get to the copper and the gold they had to....

Panguna chief Philip Miriori is allegedly one of the bastards that Rio allegedly wanted to starve out. He is one of the named plaintiffs – one of the few still alive. Philip's story is told on page six of the claim, his father lost his life as a result of injuries he received in 1964 when an empty 44 gallon drum was allegedly hurled at him from an airborne helicopter operated by Rio Tinto.

PHILIP MIRIORI: Rio Tinto funded a war here. The Papua New Guinea government is only a small government that when you have the money you can do anything. It was on Rio's advice that the blockade was in place.

What has not been revealed until now is the powerful support the people of Bougainville had when they launched their class-action. None other than Papua New Guinea's Prime Minister Sir Michael Somare, providing the sworn affidavit alleging that it was Rio Tinto calling the shots during the Bougainville war, forcing the PNG government to launch the blockade of the island and the military action in order to reopen the mine.

Obtained exclusively by Dateline, the affidavit written in 2001 when Sir Michael Somare was in opposition. It states in part:

2001 AFFIDAVIT: 'Because of Rio Tinto's financial influence in PNG, the company controlled the Government. The Government of PNG followed Rio Tinto's instructions and carried out its requests. BCL was also directly involved in the military operations on Bougainville, and it played an active role. BCL supplied helicopters, which were used as gunships, the pilots, troop transportation, fuel, and troop barracks. '

Sir Michael Somare goes on to say that without Rio Tinto's activity on Bougainville:

2001 AFFIDAVIT: 'the government would not have been engaged in hostilities or taken military action on the island.'

Once more, Peter Taylor says the allegations are baseless.

PETER TAYLOR: I find it quite surprising he did say those things because he knows they are not true.

REPORTER: Why would he swear on oath that this happened considering he had the knowledge into the government at that time?

PETER TAYLOR: I do not know. I have not asked him.

Jerry Singarok, was the former head of the PNG Defence Force during the crisis. It was his decision to oppose the government's

deployment of mercenaries from the Sandline companies that finally led to a negotiated settlement. Now a businessman in Port Moresby, he shares Sir Michael Somare's interpretation of events.

JERRY SINGAROK, FORMER CHIEF, PNG DEFENCE FORCE: Well I am not surprised because Rio Tinto and Bougainville Copper Ltd were the big guns – the bigger players in Bougainville at the time and money speaks – money is power and they had so much influence over the decision making process.

SAM KAUONA, FORMER PNG DEFENCE FORCE: The key clause that we have in the peace agreement is - the clause that talks about mining power and function.

Sam Kauona was in the PNG Defence Force when war broke out. He changed sides when he saw the plight of his people. He says the affidavit confirms what he knew all along.

SAM KAUONA: It did not surprise me. All the time we knew about that, we knew Bougainville Copper Ltd was financing this war on Bougainville, it only confirms our suspicions because when we were fighting during that time around the mine all the Bougainville Copper Ltd vehicles were being used by the security forces.

BELDEN NAMAHA, OPPOSITION LEADER: This is the kind of decision that has affected Papua New Guinea and this is the kind of decision that is running Papua New Guinea down.

PNG's new opposition leader Belden Namah spent five years in jail for defying the then government's decision to bring in the Sandline mercenaries. Prime Minister, Sir Michael Somare pardoned him but he is short on reciprocal forgiveness.

BELDEN NAMAHA: It is really damaging for the father of a nation to admit that he has supported the crisis on Bougainville. He has now deviated from his initial stance.

Wrapped up in the legal claim is a demand for compensation for this. This was the river down which Panguna's copper tailings were deposited. It is more than 20 years since the slurry gates opened for the last time but still there is no life in the river. Only children swim in its pools. And these are their wounds which their parents who pan for gold, blame on the poisoned river.

JESSICA (Translation): So every day this mine pollutes the water, around here there are not many places to wash, so most of the children come here and their skin becomes damaged. We do not want the mine reopened, I think because big men who earn money want the mine to be open because they get the benefits. All of us locals, we don't like this.

Reconciliation is a government priority and today villagers from across the island have gathered on the outskirts of the capital for a church fundraiser. I have been invited on stage by Bougainville's President, John Momis who knows he is treading a fine line in his efforts to reopen the mind. He even wants the landowners to give up on the court case and allow the autonomous Bougainville government to attempt to cut a deal.

JOHN MOMIS: I think it can be negotiated outside of court. In fact, I believe if our people are prepared to allow negotiation with Rio Tinto we would get a much better deal.

But that is against everything that claimants like Philip Miriori have

fought long and hard for.

PHILIP MIRIORI: If they don't start the court case, no mining – not just in Panguna but in all Bougainville - there will be no mining. We want to see the resolution of that court case and ABG have to support that at all cost.

For the first time since the war the Australian chief executive of Bougainville Copper Ltd had, Peter Taylor, visited the island last month. Entertained by the President, he did not go to the mine itself. And with good reason.

ISHMAEL: I was very disappointed. When he steps on the soil at Buka he claims Bougainville, but you have not met our customary requirements – you have not paid for the blood yet – like I said, blood is thicker than water, like I have said.

This former fighter, Ishmael is not someone you would want to cross.

REPORTER: What you think the response would have been if he had come to the Panguna area?

ISHMAEL: We could get the blood and spit all over his face. That's it, very simple. You have not paid on the land that you are walking on.

Many believe the President Momis is dancing to the PNG government's tune in his talks with the mine owners. But he candidly tells me he is battling with Port Moresby to get them to

hand over his share of the royalties in any future deal. Now that the war has been won and Bougainville has gained control of its resources some ask why the PNG government is involved at all.

SAM KAUONA: In Bougainville we have won it. We have bought it with our blood. 20,000 people have shed their blood. In addition to that there are laws of Bougainville, starting with the peace agreement that gives mining powers and functions to Bougainville, not to Papua New Guinea.

But until its scheduled vote for independence in 2015, Bougainville remains part of PNG and with Prime Minister Michael Somare's health failing the man who could soon become the new leader has bad news for the mine owners.

BELDEN NAMAHA: If we want to bury what has happened it will be good to look at a new company coming in, I believe. A totally new company will open up the entire negotiation again. The landowners must get the maximum out of the resource. We should be a country that should set an example to other countries that we avert a crisis. The problem was that the government then did not address the landowner problem. Unless we learn from Bougainville we are going to have more problems with this country.

PETER TAYLOR: I would like to see Bougainville have the future that it really deserves. They have the will to make Bougainville the Premier Province - I really believe they will do it.

PHILIP MIRIORI: We can only come back on our terms and conditions, this is our time we have won the war and the prize is ours. They have to come on our terms and conditions.

YALDA HAKIM: Brian Thomson reporting. The beautiful camerawork from Warwick Ford. As Brian says, PNG is the land of the unexpected. There are more tales from his colourful trip in our behind-the-scenes video on our website.

Reporter

BRIAN THOMSON

Camera

WARWICK FORD

Fixer

GERALDINE PAUL

Producer

GEOFF PARISH

Editors

DAVID POTTS

CATHERINE WHELAN

Original Music composed by VICKI HANSEN