

Author Biography

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Sarah McCandless has been an editor of the forum for 3 years and just graduated in the class of 2023 with a history major and political science minor. In the future she plans to attend law school in hopes of becoming a civil rights lawyer. She loves going to the beach and hiking in San Luis Obispo in her free time.

The Imperialist Pursuit: Effects of Natural Resource Extraction in Bougainville Papua New Guinea

Sarah McCandless

Natural resource extraction has been at the heart of industrialization, development, and the modern economy since deposits of raw materials were first discovered. Non-renewable materials are not only vital to modern-day life, as they are used to produce a multitude of commodities, but they are also integral to advancing civilizations and economies. The actual process of resource extraction, however, does quite the opposite. As natural resources became a core element of manufacturing and production, world powers and large corporations looked to extract and exploit resources in countries other than their own. When copper deposits were found in the 1960s on Bougainville, an island off Papua New Guinea, the open-cut Panguna Copper Mine was promptly established by the Australian mining company, Conzinc Riotinto Australia (CRA) under the Mining Act of 1967 Bougainville Copper Agreement.^{1 2} Little did CRA and its subsidiary Bougainville Copper Limited (BCL) know, the mine would have irrevocable consequences for this island nation and its people. This paper argues that the Panguna Mine fueled the unrest in Bougainville that led to the violent conflict known as the Bougainville Crisis by irreversibly contaminating the environment, creating greater economic disparity between the inhabitants, and increasing social unrest on the island.

Current historiography and research regarding the Bougainville conflict focuses on the Panguna Mine as a contributing factor to the unrest but

¹ "Mining (Bougainville Copper Agreement) Act 1967." n.d. [www.paclii.org. http://www.paclii.org/pg/legis/consol_act/mcaa1967344/](http://www.paclii.org/pg/legis/consol_act/mcaa1967344/).

² Open-cut is the surface mining technique by which minerals are extracted from a large open pit in the ground.

disregards the fact that the conflict would not have happened without the consequences resulting from the CRA's capitalist drive for profit. To argue that the effects of the mine directly caused the civil war in Bougainville, I will use studies on the various consequences the mining operations had on the environment, the people, and the economy of Bougainville. I will also draw from interviews with locals, CRA company annual reports, films that have been created about this event, and newspaper articles ranging from 1970 to 1988. Primary sources on this topic are limited as they are physically difficult to access and are written in a different language due to the many dialects of the Austronesian language Halia which are spoken on the island. However, this paper explores this topic and evaluates the available sources despite this limitation.

Environmental degradation goes hand in hand with the mining industry as waterways are polluted, wildlife and their habitats are destroyed, and the landscape of the mining site is permanently scarred. These environmental effects were felt on the entirety of Bougainville Island. Every aspect of the mining project had a negative impact on the environment. To prepare the area for the mine and to access the ore deposits, 543 acres of rainforest were cleared by poisoning the trees and spraying undergrowth with herbicide. Overburden, the rock and soil that lays above the ore, was then removed by high pressurized hoses which produced eighteen million cubic meters of sediment.³ Tailings, the waste that results from extracting copper ore, traveled from the east coast to the west coast of the island through the Kawerong-Jaba River system and out into the Empress Augusta Bay. The waste adversely affected the populations living downstream from the mine by obstructing water flows, creating large areas of swampland, and silting and widening streams.⁴ During the seventeen years of the mine's operation, 556 million tons of waste material and 595 million tons of silt were generated. These deposits were stacked up along the riverbank or thrown directly into the river.⁵ Tailings, as well as overburden from the mine, contained dangerous levels of mercury which poisoned schools of tuna fish migrating past the island. The destruction of land was detrimental for the locals as they relied on home gardens, as well as farming and fishing for their primary sources of food. These harmful methods of waste disposal resulted from the company's desire to

maximize profits, its failure to implement any strategies to protect and conserve the environment, and its total disregard for the detrimental impact that the waste had on the island and its inhabitants.

The Panguna Mine, in addition to ruining the physical environment, exacerbated social tensions already present between the people of Bougainville. The mine ignited tensions between local and foreign workers, bringing about island-wide separatism. Prior to the arrival of CRA and BCL, Bougainvilleans had established social and economic systems derived from the cocoa cash crop that came to Bougainville in the 1960s. Cocoa cash cropping benefitted locals differently due to rainfall, soils, and access to land. The introduction of cash cropping caused a shift away from traditional gardening methods used by locals and the inter-generational cycle of land distribution that had been previously used for decades.⁶ As a result, those who possessed less land at the introduction of the cocoa trade were at an economic disadvantage. Following the establishment of the mine, there was even less land available for use by locals for gardening or cash-cropping, furthering the economic disparity between islanders. Land was not only beneficial economically; it symbolized the connection the people of Bougainville had to their heritage and ancestors. In the film, *My Valley is Changing*, the narrator illustrates the attachment the locals felt towards their land, "It didn't surprise anyone that the Moroni's were angry over the land situation. It's not just a block of dirt to them, it's part of them, body and soul. Their whole social system is based on the land. The land is owned by the ancestors now dead, present occupiers have rights to use the land and to lease it, but not to destroy it."⁷ Francis Ona, the leader of the Bougainville Revolutionary Army, a secessionist group formed during the Bougainville Crisis, shared this sentiment, "We Bougainvilleans, we rely on our land. Land is our lifeline, land is our mother, and it's our protection."⁸ The importance of the land to the people of Bougainville heightened the damage caused by the Panguna Mine and fostered deep resentment among them for BCL and its exploitation of their land.

Bougainville's social disintegration also resulted from the diversity of those within Papua New Guinea. Bougainville was inhabited by various tribes who spoke different languages with different ancestral origins. Bougainvilleans, how-

3 Donald Denoon, *Getting under the Skin: The Bougainville Copper Agreement and the Creation of the Panguna Mine* (Melbourne University Press, 2000).

4 Matthew G Allen, *Resource Extraction and Contentious States: Mining and the Politics of Scale in the Pacific Islands* (Palgrave Pivot, 2019).

5 Douglas Oliver, *Black Islanders: A Personal Perspective of Bougainville, 1937-1991* (Honolulu, HI: University of Hawaii Press, 1991).

6 Anthony J. Regan, "Causes and Course of the Bougainville Conflict." *The Journal of Pacific History* 33, no. 3 (1998): 269-85. <http://www.jstor.org/stable/25169410>.

7 *My Valley is Changing*, directed by Lionel Hudson, (1970; Acton, Australian Capital Territory, Australia: National Film and Sound Archive, 1970). <https://video.alexanderstreet.com/watch/my-valley-is-changing>.

8 *Coconut revolution*, directed by Dom Rotheroe (2001; Surrey, United Kingdom: Journeyman Pictures, 2001). <https://www.filmsforaction.org/watch/coconut-revolution/>.

ever, linked themselves to one another and prided themselves on their distinctive black skin. This characteristic differentiated them from the rest of the population of Papua New Guinea whom they considered “red skins.”⁹ This differentiation fostered hostility towards outside workers, while island tribes with different cultures and languages also had their own existing conflicts. Max Ogden discusses the intra-island issue, “At present the chief area of discontent appears to be disputes between workers from different tribes and clans. A Tolai, for example, may refuse to work under a Chimbu foreman, or a fight may break out between two different groups.”¹⁰ This antagonism exacerbated the discontent with the mining operations and made for a hostile work environment. Not only was there conflict between locals, but also between White workers and Black workers. The main source of this conflict was wage disparity, but these two groups of workers were also treated differently. Ogden explains, “Initially on engagement, workers are put in segregated huts and then if the foreman recommends it, a Niuginian worker is examined by a psychiatrist and then may be “integrated” — i.e. he is allowed to live and eat in the integrated quarters. Naturally, the white workers don’t have to pass such tests to be classed as fit for integration.”¹¹ The inconsistency in the treatment of workers and wage disparity underpins colonial and imperialist attitudes toward colonized people.

The economic disparity created by the unequal distribution of profits generated by the mine continued to worsen socio-economic inequality in Bougainville. Under the Bougainville Copper Agreement, the act that established the mine, these profits were distributed in Kina, the national currency of Papua New Guinea, among various stakeholders including the PNG government, private investors, the North Solomons Provincial Government, and local landowners. From the years 1972 to 1989, funds were divided accordingly: 1,078 million Kina or 61.45% to the PNG Government, 577 million Kina or 32.90% to private shareholders, 75 million Kina or 4.28% to the North Solomons Provincial Government, and 24 million Kina or 1.37% to local landowners.¹² Although the PNG government received over more than half of the revenues, the local landowners whom the mine directly affected most, received nominal compensation. Greater compensation would have allowed civilians to invest in the community to rebuild their land and their livelihoods.

9 Denoon, *Getting under the Skin*.

10 Max Ogden, “Question Mark Over Bougainville Copper,” *The Sydney Tribune* October 3, 1979 <https://newspaperarchive.com/sydney-tribune-oct-03-1979-p-6/>

11 Ogden, “Question Mark Over Bougainville Copper.”

12 Anthony J. Regan, “Bougainville: Origins of the Conflict, and Debating the Future of Large-Scale Mining,” *In Large-Scale Mines and Local-Level Politics: Between New Caledonia and Papua New Guinea*, edited by Colin Filer and Pierre-Yves Le Meur, 12:353–414. ANU Press, 2017. <http://www.jstor.org/stable/j.ctt1x76gfk.19>.

Douglas Oliver, an anthropologist who lived and worked among the Siwai people of southern Bougainville, argued,

*The company was earning too much for itself and its corporate parents and private shareholders, and was not paying the emerging PNG nation a large enough share of its earnings. The company’s ‘misfortune’ in having been so unexpectedly ‘successful’ was aggravated by the prejudice of some...that most multinational businesses were by their nature predatory and ruthless, especially that those ‘preyed on’ Third World societies.*¹³

Private shareholders and government investors were the ones who sponsored and backed this project, so BCL had to ensure its continued support through the generous distribution of revenues. As an attempt to include the islanders in the operation, BCL allowed them to purchase shares when the mine was first established. They made one million shares available to the people of Papua New Guinea at \$1.71 a share, but the company received applications for 3,300,000 shares.¹⁴ The people of PNG thus had unequal access to revenue from the mine and were not fairly included in the opportunity to reap significant economic benefits from the start.

While it is easy to focus solely on the seemingly more consequential detrimental effects of the mine, it is also necessary to discuss the positive contribution that the Panguna Mine made on the island. The mine helped the economy of Papua New Guinea stimulate revenue, provide jobs and technical training, and encourage local businesses to prosper. Due to the profits that the mine produced, the government of Papua New Guinea received tax revenue, mineral royalties, and revenue from the PNG government shares it held in BCL. The job opportunities that the mining operations offered allowed Bougainvillians and people from the wider PNG area to receive education at the mine training college which BCL built in Panguna. A 1976 annual BCL report claimed, “through the mine training centre it provides a steady flow of Papua New Guineans who have been trained in a variety of technical skills. Considering the widely different background of the Company apprentices

13 Oliver, *Black Islanders*.

14 “Natives buy shares in island copper,” *The Albuquerque Tribune*, August 9, 1971. <https://newspaperarchive.com/albuquerque-tribune-aug-09-1971-p-36/> (Accessed March 2, 2022).

and trainees and their limited experience in an industrial situation, the training programme has been highly successful.”¹⁵ It must be questioned, however, if these benefits are significant enough to negate the detrimental ramifications. It is also necessary to note that these benefits are perceived from a Western industrialized perspective without considering if they are beneficial from the islanders’ point of view. The jobs and skills that were provided for the people changed their societal structure and way of life. Before BCL came to Bougainville, the people were successfully living off the land in a symbiotic relationship with nature. Whether these newly acquired trade skills could really be utilized after the closure of the mine should also be questioned. Without this industry on the island, the industrial skills would no longer be useful, and it is unclear whether they would be successful in and satisfied with returning to their pre-mine way of life.

The social disintegration, environmental degradation, and economic disparity that BCL and the Panguna Mine brought to Bougainville and Papua New Guinea would ultimately lead to a bloody civil war in which Bougainville’s own government turned on its people. The Bougainville Revolutionary Army, BRA, led by Francis Ona, began to forge a separatist insurgency against the Papua New Guinea Defense Force to secede from the government that turned a blind eye to the damage committed against its own land and people. An eight-year conflict ensued, resulting in the loss of around 20,000 lives, the displacement of thousands more, and the subsequent closure of the controversial mine. Bougainville and the Panguna mine serve as a microcosm of the damage that the imperialist and capitalistic drive for profit cause. The disparity in the benefits reaped by BCL and its shareholders stands in stark contrast to the harm felt firsthand by civilians on Bougainville and demonstrates the broader theme of exploitation of a less developed nation by a larger world power and its corporations. Events like this make it clear that humans have lost sight of what is truly important in the world. The well-being of a society and the environment should be paramount over profit and success. Awareness of what happened in Bougainville and similar incidents can educate people about the harm that is imposed when humanity is not a priority.

¹⁵ Bougainville Copper Limited. 1976 Annual Report, Frank Espie, D.C. Vernon. Papua New Guinea: South Pacific Post Pty. Ltd. 1976 https://www.annualreports.com/HostedData/AnnualReportArchive/b/ASX__BOC__1976.pdf (Accessed February 20, 2022).

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