



MONITOR.

Monitoring the mining industry in Australia, Asia and the Pacific

INDONESIAN HUMAN RIGHTS GROUPS CHALLENGE MOBIL

Following the collapse of the Suharto regime in May 1998 the Indonesian Government is investigating human rights abuses near the P.T. Arun oil plant in Aceh province.

Mobil hold a 35% share in P.T. Arun, a liquefied natural gas project, with 55% held by the Indonesian state owned oil company, Pertamina. After the development of the plant in the late 1970s, a local separatist group, the Free Aceh Movement, declared independence. With clashes increasing, the military sent thousands of soldiers into the area from May 1990.

"Large government projects, such as Mobil's operations and the P. T. Arun Plant in Aceh", Mobil's Regional Public Relations Manager, Jon Loader, told Mining Monitor (MM) "had long been regarded as national security interests because of their economic importance to the country and the region".¹ During the 1990-91 period, Loader said, "the military and the Acehenese rebels were active in the region. Curfews were common and enforced".

"The military presence in the region was strengthened in the interest of maintaining unity and security in the area. To this day, the military is present in the area, and we have grown accustomed to their presence", Loader said.

After the fall of the Suharto regime, survivors from the military's dirty war have come forward. The Indonesian National Commission on Human Rights has been told of 12 gravesites, including one on Pertamina-owned land less than three miles from a Mobil gas-drilling site. The latter site has not yet been examined to determine whether it contains human remains.



Businessweek feature on Mobil and Aceh

In August last year Indonesian authorities began exhuming the remains of victims from some of the mass burial sites. On 10 October a coalition of 17 Indonesian hu-

"To this day, the military is present in the area, and we have grown accustomed to their presence".

Jon Loader, Mobil.

man rights groups alleged at a media conference that P.T. Arun and Mobil were "responsible for human rights abuses" during military operations in Aceh province. They specifically claimed that Mobil Oil Indonesia provided logistic support to the army and earth-moving equipment that was used to dig mass graves. The groups also stated that security forces had seized a Mobil employee on company property without a warrant.

Following the media conference the respected US magazine, *Business Week*, con-

ducted a five-week investigation of the allegations against Mobil.²

According to *Business Week*, two contractors say they told Mobil managers that they had found human remains near Mobil sites. A former Mobil employee told *Businessweek* that rumours of massacres and reports that Mobil equipment was used to dig graves were frequently discussed at workplaces and in the company cafeteria. *Business Week* wrote however, "there is no clear evidence that Mobil's top management had direct knowledge of such reports".

Mobil acknowledge that it lent the army excavators and supplied food and fuel on occasions over three decades but insist that Mobil managers had no knowledge of equipment being used for anything other than peaceful activities such as road construction.

Jon Loader, told *MM* "Did we know that we were operating in the middle of a conflict? Of course we did, and so did the world".

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LETTERS TO THE EDITOR

THANKS FOR YOUR HELP

PAIL, or "The People's Alliance for Implementation of the Law, Thane", is an alliance of fishermen, Warli and environmental organisations local to the Dahanu region, that worked hard for the last 19 months to prevent this illegal construction from taking place. PAIL received much support from organisations and individuals in both, India and overseas.

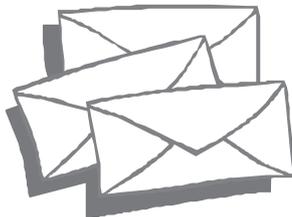
In particular, PAIL would like to recognise and thank the following individuals and organisations from outside of India for supporting us in our campaign against the P&O proposal. As P&O was a UK/Australian-based company, we turned to these people of the international community, and they lent us a hand of support in our hour of need. We give them our heartfelt thanks.

First and foremost we should like to thank Sultana Bashir for spearheading the WWF-UK campaign with the highest degree of commitment and innovation. She was instrumental in having the movement pick up within the international circles.

The people of Dahanu should also like to thank ... MPI (Mineral Policy Institute) - Australia - for being part of the Australian NGO delegation that met with P&O Australia and publicising the issue.

Shabnam Merchant
International Liaison Officer, PAIL
People's Alliance for Implementation of the Law, Thane, India

(See "P&O abandons coal port plan" on page 10 for more details).



SPOTLIGHTING GREEN REPORTING

Just flipping through the December 1998 *Mining Monitor*, reading the lead article ("Mandatory Green reporting under attack") with interest. This is something that has essentially slipped through the cracks during the holidays. Good work on a good article!!

Don Anton,
NSW Environmental Defenders Office,
Sydney.

CORPORATE ENGAGEMENT

Dear Bob,

I have greatly enjoyed the pieces on corporate engagement in *Mining Monitor*, it's obviously something about which NGOs (and if I may say, academics) have to give a great deal of thought.

In my view the decision will be different from one situation to another. To have a blanket 'yes' or 'no' to corporate engagement doesn't reflect the reality that not all mining companies are the same, and that not all community encounters/conflicts are the same.

NGOs need to be very clear about why they are getting involved in this engagement:

do they have expertise/skills in an area where they can contribute to what the miner is doing? Is their engagement with the company of benefit to the communities that the mine is affecting? If not, then perhaps they are simply being coopted to keep them silent.

What I think the NGOs have to ask is whose interests they are seeking to serve. Most presumably would say the communities' involved with the miners, but to me at least this is not always clear. The bottom line in my work with companies, and what I think it should be for the various NGOs, is 'how can I best help these communities?'. At times this may involve maintaining a distance from the miners and applying pressure from the outside, but at others it may involve constructively engaging them.

In addition, in academic circles there is a strong ethical requirement/ expectation that you will not get involved in work outside your area of expertise, and NGOs need to consider this as well. Does being an effective critic of the mining industry necessarily mean the same NGOs are able to provide pragmatic solutions to problems that companies may have with their community partners? In my experience, not necessarily.

Anyway, keep up the good work.

Glenn Banks

(Glenn Banks is Geography Lecturer at the Defence Force Academy, UNSW, in Canberra who has done work as researcher and consultant on a number of mining projects in Papua New Guinea and Irian Jaya).

MINING MONITOR

EDITOR: Bob Burton

Mining Monitor is published quarterly by the Mineral Policy Institute (MPI). *Mining Monitor* is aimed at providing detailed, referenced information to inform and support community organisations concerned about the impacts of mining projects (including oil and gas projects) in Australasia and the Pacific.

Articles represent the viewpoint of the author and not the Mineral Policy Institute.

Please consult the editor prior to submitting material for major stories. Send your

suggestions, criticisms or praise relating to *Mining Monitor* as a letter to the editor.

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MOBIL CHALLENGED ON HUMAN RIGHTS

"Is it possible that we would not know everything that was going on outside of the complex's facilities during this period? Yes, it is not only possible, it is true. The rumours cited in the Business Week article revolve around incidents alleged to have occurred outside of the Mobil complex and at night", Loader says.

Sayed Mudhahar, a former P.T. Arun Public Relations Manager in the 1980's before the killings and former government official in Aceh, told *Business Week* "there wasn't a single person in Aceh who didn't know the massacres were taking place".

Mobil disputes the "implications" of the *Business Week* story "which are based largely on unsubstantiated allegations, rumours and innuendo about alleged events outside Mobil's operations and control".³

In one instance a Mobil employee, Abdullah Baharuddin, was arrested at the Mobil production department office on 10

July 1990. One of his co-workers told his wife that the military had no arrest warrant and had asked permission from Baharuddin's superiors. His wife complained to his boss and Mobil's PR Manager. Over a year later she received a letter from Mobil stating that his employment with Mobil had been terminated. Baharuddin was seen by other inmates at the now abandoned Rancong prison but has not been seen since.

"They said they need the use of our facilities for 'security purposes'. We could say nothing ... They were the army".

Pertamina official

Loader told *MM* that "we made several enquiries about it to the military and the government. The military advised that the employee was detained for security reasons. Beyond that we are not aware of the specific charges that were the basis for his arrest".

The Rancong military prison where Bahruddin was held has been identified as a major torture centre and a suspected mass gravesite. It was commandeered from P.T. Arun in 1990. A Pertamina official told *Business Week* "They said they need the use of our facilities for 'security purposes'. We could say nothing ... They were the army".

"If we were made aware of human rights abuses associated with our operations, would we respond? Yes, we would" Loader insists. "We would find such activities reprehensible and if given sufficient reason to believe such abuses to be true, would protest aggressively to the appropriate authorities".

Bob Burton

¹ Jon Loader, letter to *Mining Monitor*, 8 February 1999.

² Michael Sahri, Pete Engardio and Sheri Prasso, "What did Mobil know: mass graves suggest a brutal war on local Indonesian guerillas in the oil giant's backyard", *Businessweek*, 28 December 1998, pages 68-73. The article has been republished in the *Australian Financial Review* as "Indonesia: What exactly did Mobil chiefs know?", *Australian Financial Review*, 31 December 1998 - 1 January 1999.

³ P.C. Tan, "Mobil rejects Aceh story", *Australian Financial Review*, 14 January 1999, page 20.



CABINET DOUBTS NABALCO

In February 1968 the Commonwealth Government swept aside opposition from the Yolgnu people to legislate for a 42-year mining lease for the development of the Gove bauxite mine and alumina plant. It was a decision that was to lead to the first ever legal case on Aboriginal land rights.

By November 1968, however, the Minister for the Interior, Peter Nixon and the Minister in charge of Aboriginal Affairs, William C Wentworth, made a submission to Cabinet stating that "to date there's been no substantial involvement of Aboriginals with the project. There have been some indications which raised doubt about whether the company fully appreciate what is expected of it in respect of Aboriginal interests".

The Ministers sought the endorsement of

the Cabinet to empower the Ministers to make "clear to the Company the importance the government places on the development of the mineral resources of the reserve actually resulting in real economic and social benefit to the Aboriginal community".

The Cabinet agreed that with the imminent construction activities of the mine and plant that "an approach might be made to the company to establish more firmly the expectations of the government in relation to the welfare of the Aboriginal people in the area".

The Cabinet documents have been released by the National Archives of Australia after being held for 30 years.

In 1970 the Yolgnu launched a legal action in the Supreme Court of the Northern Ter-

ritory against Nabalco and the Commonwealth Government. In 1971 Justice Blackburn ruled that indigenous land laws were incapable of recognition by the Australian common law. The judgement entrenched the concept of *terra nullius*, that Australia was unoccupied land, that was to stand for the next 22 years until overturned by the Mabo case.

Galarrwuy Yunupingu, from the Yolgnu, wrote of his father in his 1997 book *Our Land is Our Life*: "I watched my father stand in front of them to stop them clearing the trees and saw him chase away the drivers with an axe. I watched him cry when our sacred waterhole was bulldozed".

Bob Burton



PACIFIC TREE EXTINCTIONS POSSIBLE FROM MINING

For years, the mining industry has claimed it has no significant impact on biodiversity. A recent report from the World Conservation Union (IUCN) and the World Conservation Monitoring Centre shows that the mining industry is in fact one of the major threats to forest biodiversity in the Pacific.¹

The first comprehensive worldwide assessment of endangered trees has shown that one in every eleven trees in Oceania is threatened. Mining is identified as a major problem threatening the extinction of at least 30 Pacific tree species. With the lack of scientific information in this region, the number could be considerably higher. This report was 20 years in the making and has been contributed to by more than 200 of the world's leading botanists.

New Caledonia is taking the brunt of the impact, with 18 species under severe pressure – some critically endangered. This remarkable island has more species of plants than the wet tropics of north Queensland, in a much smaller area. Nickel mining is carving up large areas of the landscape and with some species found only on one mountaintop or a single river valley, there is a chance of extinction with each new development.

New Guinea has more species of plants than any other island on earth. Six species are under dire threat. An ebony species on Misima Island off the east coast is critically endangered by a Placer Pacific mine and local cutting. Four more species are threatened by mining exploration in this vicinity, including a number of nutmeg species on the remote Rossell Island.

On Fiji, two species are on the verge of extinction as a result of mining activities. The future of a New Zealand pine is in question as is the future of two Australian species. One is a unique palm on Christmas Island that flowers only once in its life cycle and is being threatened by phosphate mining.



Pacific rainforest. Photo: P. Chatterton.

It is concerning that seven of the species threatened are rare pines – many of them close relatives of Australia's hoop and Norfolk Island pines. This family is under pressure world-wide. The range of threats includes clearance for mine sites, impacts from mine pollution and fire introduced along mining roads and reduction of remnant populations.

Forests contain the majority of the biodiversity in the Pacific region. The level of threat to trees suggests that many other species that depend on the trees for their survival are threatened.

No mining companies in the Pacific make comprehensive assessments of their im-

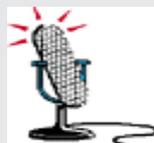
act on biodiversity prior to starting operations. And few are taking sufficient steps to prevent impacts such as riverine pollution and fires that might further undermine tree populations. There is a need for Pacific governments to take steps to prevent mining exploration and development in areas of high biodiversity and to ensure that impact assessment and monitoring is used to prevent changes in forest biodiversity.

Paul Chatterton



Paul Chatterton is a consultant in regional and community development planning in the Pacific and is a board member of MPI.

¹ World Conservation Monitoring Centre (1998) Data from the Tree Conservation Database, a subset from Sara Oldfield, C Lusty and A MacKinven (comps) *The World List of Threatened Trees* World Conservation Press: Cambridge UK



WITH FRIENDS LIKE THESE ...

In October 1998 ABC TV *Foreign Correspondent* program aired a story on the proposed development by Western Mining Corporation of the Tampakan copper deposit in the Philippines and the risk of violence.¹ In recent years there have been numerous reports of human rights abuses by the military.

Major Romeo Cabate the military commander in the area told *Foreign Correspondent* that "we are ... against the enemies of the state, and ... this particular company is for the development of the place ... and so it is our concern to protect this from any threat forces".

¹ Evan Williams, "Mindanao Mining", *Foreign Correspondent*, ABC-TV, 6 October 1998.

CHANGE IMAGE TO "CAGED BEAST" SANDMAN TELLS MCA

"You are widely seen as being a bad actor ... how do you move from being a bad actor to being seen as a good actor, as a good guy?", Peter Sandman rhetorically asks, pacing along the front of the 400-strong audience of PR and mine managers from around Australia, the Philippines, South Africa, Papua New Guinea and the US.

It is a problem that the Australian mining industry had spent millions trying to answer, but made little progress on. Multi-million dollar advertising campaigns have been deemed an expensive failure.

Sandman, billed as the star attraction for the Minerals Council of Australia's Annual Environmental Workshop in Melbourne, Australia, was the latest in a long line of consultants brought in to tell the industry how to fix the problem.

The first option, he suggested, was that the industry could present itself as *"the romantic hero ... which basically says 'well you are wrong, I am not a bad actor, I'm terrific, the mining and minerals industry is what made the world the wonderful place that it is'"*. Sandman notes this approach was the basis for the failed mining industry TV advertisements early this decade.

The next option, he suggested, was that the industry could portray itself as the *"misunderstood victim"*. *"You feel you are David and they (the environment movement) are Goliath. No one thinks you are David. You look like Goliath, especially in Australia. 'Misunderstood victim' doesn't play very well"*, he bluntly tells them.

The third option possible, he suggests, is to present the industry as *"the team player"*. *"Good people, good companies doing good work"*, he explained 'team player' as. *"This is obviously enormously preferable to the first two. If your only choices are to present yourself as 'roman-*



Peter Sandman. Photo: James De Riggi.

tic hero', as *'misunderstood' victim* or as *'team player'*, *'team player' is the best of the bunch so far ... and team player is the one on the whole that you have taken"*, he says.

"The 'team player' is the image you ultimately want to have, but I would argue that you can't get from 'bad actor' to 'team

"You are widely seen as being a bad actor"

Peter Sandman

player' without pausing as some other image", he says. *"As a characteristic of human nature, I don't think people can go from thinking you are bad guys to thinking you are good guys, without pausing somewhere in the middle"*, he tells delegates.

There are two "middles", he suggested. The first *"that I propose is the 'reformed sinner'". 'Reformed sinner' works quite well if you can sell it". 'Reformed sinner', he notes "is, by the way, what John Brown of BP has successfully done for his organisation. It is arguably what Shell has done with respect to Brent Spar"*.

"Those are two huge oil companies that

have done a very good job of saying to themselves 'everyone thinks we are bad guys, we want to think we are good guys. We can't just start out announcing we are good guys, so what we have to announce is we have finally realised we were bad guys and we are going to be better'", he said.

The appeal of industry portraying itself as *"reformed sinner"*, he tells them, is that it makes it much easier for critics and the public to buy into the image of the industry as *"good guys after you have spent a while in purgatory"*. *"But I don't think reformed sinner is your best bet"* he says.

"I think 'reformed sinner' is a tough sell. I think the public are rather sceptical when companies say they have reformed: 'we have heard it before and we doubt it does much beyond skin deep'", he says, bringing them down.

"There is a fifth image that I think works by far the best and that is the 'caged beast'. So what is the persona of this 'caged beast'?" "Useful, perhaps even indispensable, but dangerous", he says, emphasising the dangerous.

"This is the image I would recommend to you. I would argue that if you want to come back from bad actor to team player, the easiest path back is to make a case that

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MORE ON SANDMAN AND ENGAGEMENT

These articles are being jointly published by *Mining Monitor* and *PR Watch*. Other articles on the views of Peter Sandman and the issue of corporate engagement will appear in the first edition of *PR Watch* in 1999 which is available on the Web at www.prwatch.org

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CHANGE IMAGE TO "CAGED BEAST"

you would continue to be bad actor if you could, but you can't. The cage works", he says, explaining his diagnosis.

Why should the industry tell others that it is a "caged beast"? *"You can't get away with that stuff any more and you are therefore behaving much better, not because you want to, not because you have become the Mother Theresa of the mining companies, but because NGO's have been successful, regulators have been successful, your neighbours have been successful, the entire society have been successful in persuading you at least that you will make more dollars if you behave the way we want you to, than if you continue to behave the way we don't want you to behave", he says.*

In case there are doubts Sandman quickly explains *"that image of the caged beast is a saleable image ... it is also in my judgment very close to the truth, I see your industry as having made significant progress under pressure", he tells them.*

The secret, he says, is letting critics *"win the fight instead of trying to beat them, dramatising that you are a caged beast instead of claiming to be a good guy".*

To help reduce public "outrage" and rebuild tarnished credibility, Sandman suggests, another *"strategy is to acknowledge your prior misbehaviour".* For companies with closets full of environmental and social scandals, Sandman quickly reassures them. *"I don't chiefly mean things you have done that nobody knows you have*

"that image of the 'caged beast' is a saleable image..."

Peter Sandman

done and when we find out you will go to jail. If there are any of these I urge you to seek legal counsel before you seek communication counsel", he tells them.

"I'm talking about negative things on the public record ... should you keep talking about them or is it enough that you have revealed them once? The argument I want to make is that you should keep talking about them incessantly. You should wallow in them."

Sandman cautions that if there is *"one word that I urge you to try never to use again, that word would be 'voluntary'".*

Referring to the Minerals Councils Code of Environmental Management, which is promoted within the industry as 'voluntary', he explains *"What does voluntary mean? Voluntary means you don't have to do it".*

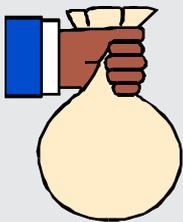
"You have two basic postures", he advises them. "Either you are free to rape and pillage as you want to, but fortunately you don't have the taste for it. Or you have a taste for it and you might continue to rape and pillage if you could but fortunately you can't get away with it any more", he says.

"I believe the second is true and I am certain the second is saleable", he reassures the audience. "I can't imagine why you keep claiming the first except that it nurtures your self-esteem, it reduces your outrage. Once again, whose outrage do you want to mitigate? The critics or yours? Do you want to get even or get rich?", he asks them.

Bob Burton



CORPORATE CASH FLOWS TO MAJOR POLITICAL PARTIES



Australia's mining sector continues to be one among the biggest financial contributors to major political parties with the bulk favouring the Liberal and National parties. Electoral funding disclosure returns for the financial year 1997-98, released for public viewing in February, reveal that the largest donors from the mining sector continue to be WMC and Santos.

WMC donated \$50,000 to the ALP, \$130,000 to the Liberals and \$15,000 to the National Party in Western Australia. Oil and gas producer Santos contributed \$90,500 to the ALP, \$423,525 to the Liberal Party and \$25,000 to the National Party.

Southern Pacific Petroleum, which is seeking to develop the Rundle shale oil project in Queensland is a new contributor making contributions of \$1,500 the ALP in Queensland, \$1500 to the Liberals Queensland Branch and \$10,000 to the national office and \$1,500 to the National Party in Queensland.

Other major contributors included North Ltd, the developer of the Jabiluka uranium mine, Australian Gas Light Company, Woodside Petroleum, White Industries, Queensland Cement, the New Hope Corporation, Gina Rinehart's Hancock Prospecting, Delta Gold and Dominion Mining.



COMMUNITY ADVISORY PANELS LIKE "HERDING CATS"

The Australian mining industry is preparing to develop Community Advisory Panels, modelled on those developed by the US chemical industry, to counter community opposition.

Following the disaster at Union Carbide's Bhopal plant in India, the credibility of the chemical industry in the US was in tatters. Peter Sandman suggested to Ben Woodhouse, the Vice President and Director of Global Issues for Dow Chemical Company, that the industry needed to create mechanisms to rebuild trust in the industry.

In Canada the chemical industry had developed a Responsible Care code in 1985. The CEOs of Dow Chemical and Union Carbide encouraged the adoption in the US of a similar code. A committee of three industry executives, including Woodhouse, was established to develop the Responsible Care code including the expansion of Community Advisory Panels (CAPs) beyond the two in existence in the chemical industry at the time.

Sandman played a critical role in persuading the Chemical Manufacturers' Association (CMA) to adopt the code.

In October, Ben Woodhouse and Peter Sandman addressed the Minerals Council of Australia's Annual Environmental Workshop urging the industry to adopt CAPs. Woodhouse is now a consultant to the Minerals Council of Australia.

The Responsible Care program, Sandman says candidly, "aims to build credibility for the beleaguered chemical industry in part by sharing control with critics and neighbours". A central part of the Responsible Care program is the establishment of CAPs of which there are now approximately 375 in the US chemical industry.

For Woodhouse, CAPs are a way of "handing over some control or feeling of power to the community because if you do that



Ben Woodhouse addressing the MCA Environmental Workshop. Photo: Bob Burton.

the community gives it back to you in spades". More importantly for the company, effective CAPs help protect a company's "licence to operate" that would otherwise be in jeopardy.

"The skill of PR people is (to) ... decide which is the most useful crap to shove down their throat".

Peter Sandman

Sandman is quick to argue that what he does, such as advocating CAPs, is different from traditional PR. "The main paradigm of PR, as it is traditionally practised, assumes an audience that is apathetic but credulous", he told MM.

"The skill of PR people", Sandman says, "is one, how to grab their attention and two, decide which is the most useful crap to shove down their throat. Now if you have only 15 seconds you are going to concentrate on selling hard in those 15 seconds. So PR becomes skilful at selling hard", Sandman says.

"The stuff I do makes exactly the opposite assumptions", he says. "I assume audiences are not apathetic ... you have no use for selling hard, you're going to need to make acknowledgment, you are going to need to make concessions".

If the duration and nature of the communication process is what distinguishes CAP's from traditional PR, the end point is not much different.

Sandman states frankly that "the usual problem with these committees isn't orchestrating the chaos: it is sustaining interest and attendance. Erstwhile troublemakers let onto the panel start learning about the industry's problems and limitations, acquire a sense of responsibility to give good advice, and pretty soon they are sounding a lot like industry apologists. This is not hypocrisy or co-optation: it is outrage reduction".

Woodhouse, who resigned from Dow in 1997 and is now a PR consultant based in Australia, told the 400 delegates at the Minerals Council of Australia's Annual Environmental Workshop that a critical step in developing a CAP is the initial selection of the "core members for your team".

"Find three to four people from the com-

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CAPs LIKE "HERDING CATS"

munity who want to work with you to make you successful", Woodhouse told delegates.

"Use that core of members to draft the terms of agreement and to recruit the members ... In every panel we put together we'd select the first three people and we'd let them tell us who the rest of the membership should be and then we said fine, go out and sell your idea and it became their panel, not our panel", he said.

Woodhouse insists that CAPs are not greenwash. "This is nothing about public relations, no greenwash here, you've got to walk the talk - you have to listen discuss and then act", he says.

"How should companies deal with 'tricky' people on the panel?" one delegate asked Woodhouse.

"That is why the selection of your core members is so important", he said. "You pick three or four people that on a bell shaped curve tend to be right here in the middle. Then you ask them to help you find people that not only fit with the middle of that bell curve but represent both ends and what happens is that that middle part kind of keeps the two end parts from getting too radical on you", Woodhouse said.

"About the time they start going off in some direction that seems too weird or unbelievable, you'll find the rest of the panel will bring them back in. It's not quite as bad as trying to herd cats, it's a little bit easier than that", he told the audience.

Stephen Lester, Science Director for the Center for Health, Environment & Justice (CHEJ), formerly the Citizens Clearinghouse on Hazardous Waste, says the usefulness of panels is mixed. CHEJ has had most experience with those CAPs established to supervise the clean up of contaminated sites. "Sometimes they have worked out quite well but other times they are a disaster from the community's perspective", he says.

"When they don't work well, there is cooption, distraction and diffusion of community efforts. From the government/in-

dustry perspective, the idea is to bottle up the activists with meetings and issues that are secondary, at best, to the community's interests and objectives", he says.

Often the composition of the panel is central to the panel's failure to deal with activists' concerns. "The problem is that the industry/business/public officials perspective is 'balanced' against one of two community people who are overwhelmed, out-voiced and out-voted", Lester says.

*"Just because we have
Responsible Care doesn't
mean that we are going to
rollover".*

Ben Woodhouse

"When it comes to CAPs covering operating plants", Lester says, "the company really does not want to share the information with the community and is scared of what they will do with information they give them".

"CAP members", Sandman says, "tend to learn more about company perspective's and problems than about critics' views".

Participation in CAPs also generates a social pressure on all participants to conform. "The experience of breaking bread with company representatives, chatting with them before and after meetings ... encourages many CAP members to feel that harsh criticism would be somehow rude. CAP members who don't respond this way are likely to feel some social pressure from their fellow members to conform or quit", Sandman told MM.

If members of CAPs thought the chemical industry's Responsible Care does not constrain industry from embarking on advocacy programs against environmental protection they would be wrong.

"Just because we have Responsible Care doesn't mean that we are going to roll-over. If we think that there is inappropriate legislation or regulation coming down, we have got an obligation as an industry to tell the policy makers about that", Woodhouse told MM.

Woodhouse rejects criticisms of the chemical industry's opposition to the US Clean Air Act of 1990 as proof the industry "doesn't walk the talk". "We said 'wait a minute nobody said just because we are trying to do the right thing we have to be stupid'", Woodhouse told MM.

Bob Burton



SUSTAINABILITY AND CORPORATE ETHICS

Ethical accountability is a buzzword in "corporate talk" these days. MPI welcomes this. What values are embodied in the ethical accountability talk of different companies involved in the minerals industry?

Senior executives of the Westpac Group recently requested a meeting with activists from the Wilderness Society (TWS) and MPI to discuss the issue of the proposed Jabiluka mine. The request for the meeting arose from the campaign highlighting the links between the Westpac Group and North Ltd, the parent company of Jabiluka proponent, ERA.

Unfortunately too many mining companies, and financiers like Westpac, are still locked into a minimalist "compliance" approach to social and environmental accountability. Some companies, Royal Dutch Shell being among the most vocal, now acknowledge that ethical accountability and corporate sustainability are intertwined and go way beyond compliance.

After all, what credible ethics statement could possibly justify a uranium mine which is opposed by the indigenous land owners, in a national park and World Heritage area, and produces radioactive materials which are dangerous for tens of thousands of years?

Westpac's then Chief executive, Mr Robert Joss, justified the Group's involvement on the basis that governments have approved the Jabiluka mine. However, simple compliance with decisions of governments is no longer an adequate basis on which to make ethical financial decisions.

Ethical practice requires active promotion of universal principles of human rights and ecological sustainability. Ethical practice also means being consistent. It does not mean speaking of environmental and social accountability on one hand while, at the same time, working behind the scenes on government committees and through industry associations to weaken environmental legislation, oppose indigenous

rights, and advocate socialising environmental and social costs. Ethical accounting would acknowledge that an ethical mining project would not pass social costs on to local communities, the general public or future generations.

As Mark Moody-Stuart of Royal Dutch Shell says, "*environmental protection and social equity are inextricably linked to responsible wealth creation to safeguard the well-being of future generations, and the very existence of companies*".

Well, the jury is still out on Royal Dutch Shell. The Westpac Group is slow to come

to the party. The Mineral Policy Institute and our partner communities around the world will continue to monitor critically the minerals and finance industries, holding out the hope that ethical practices could create sustainability when it comes to mineral use.



*Geoff Evans
Director*

MPI REPORTS

Discussion paper on submarine tailings disposal

The proposal by Highlands Pacific to dump tailings into Astrolabe Bay from the proposed Ramu nickel/cobalt mine, near Madang, Papua New Guinea, has sparked community opposition. MPI has published a discussion paper on the environmental risks associated with submarine tailings disposal proposal.

The mine is being opposed by local villagers concerned about its potential environmental and social impacts and the lack of information provided by the company to enable all affected communities to make an informed decision.

The paper, written by biologist Phil Shearman, highlights the local currents, shallow depths and gradual decline of the slope on which tailings are proposed to be deposited leading to a risk of mobility of heavy metals into the coral reef environments of the region. Copies of the paper can be obtained from MPI for \$10.

MIM profile helps Filipino communities

MPI's recently published profile of the mining giant Mount Isa Mines (MIM) has been a valuable tool for community awareness on the island of Panay in the Philippines, where people are concerned about a mine project being proposed by the Australian company. The local community has found MPI's profile useful to counter company claims of trouble-free practices in other parts of the world.

The profile summarises problems arising from MIM mines, including levels of emissions from its lead and copper smelter at Mt Isa, Australia, and stunning allegations about water quality issues and over royalties in Argentina. MIM was an early partner in the Porgera Mine in PNG (infamous for its direct disposal of tailings into the Lagaip/Strickland River) and has had uranium interests in Australia. Copies of the profile can be obtained from MPI for \$10.

INDIA

P&O ABANDONS COAL PORT PLAN

In November 1998 P&O Ports announced that it would withdraw from the proposed construction of a major port facility at Vadhavan in India after a concerted local and international campaign.

Announcing its withdrawal. P&O announced that it had concluded that the development was not feasible "at this time". P&O stated in a media release that "our conclusion was based on a number of factors including doubts as to whether the project would attract the necessary finance and the uncertainty arising from the decision of the Dahanu Taluka Environment Protection Authority to declare that the port development was 'wholly impermissible'".

When questioned by a journalist about the choice of words "at this time", P&O's Corporate Director Peter Smith responded that it was an "unequivocal pull out".¹

¹ Correspondence to MPI from The People's Alliance for Implementation of the Law, Thane, 17 November 1998.

SOUTH AFRICA

OIL COMPANIES DEFEND APARTHEID ROLE

Prior to the completion of the story "Oil companies silent on apartheid role" (*MM*, Vol. 3 No. 4, December 1998), comment was sought from a number of oil companies specifically named in the Truth and Reconciliation's Commission's Final Report.

Shell was the only company to respond by the deadline. Subsequently comments have been received from BP and Caltex. Both have defended their refusal to make a submission and specifically address their role in breaking the UN-imposed oil embargo aimed at isolating the apartheid government.

BP did not comment on why it had not

responded to the TRC request for a submission from the company. Merrick Dunster, BP South Africa's Public Affairs manager, wrote to *MM* that "There were only two occasions during the sanctions era that embargoed oil was imported. In both instances this was in error. And both instances were reported publicly at the time. For the rest of the sanctions era BP SA, like every other oil company operating in South Africa, was compelled to purchase oil through the State Fuel Fund".¹

Caltex defended its decision not to make a submission relating to the breaking of the oil sanctions. Caltex claimed that "the story of oil sanctions-busting by the SA government and its SFF agency (not the oil companies operating in SA) had already been well documented in other publications, most notably the book 'Embargo'. In our view, no further purpose could have been served in a submission to the TRC".²

Caltex wrote to *MM* disputing that the oil embargo imposed by the UN was legal. It claimed that the embargo was imposed "not by the Security Council as is required for it to have been legal and mandatory". Caltex also argues that it "never broke the oil ban" as the crude oil was purchased by the South African Government and then sold to the refineries.

At the time of writing, we have still not received a response from Mobil.

¹ Merrick Dunster correspondence to Mining Monitor, 23 November 1998.

² John Shuey correspondence to Mining Monitor, 12 November 1998.

OIL

TRANSPORT BODY PONDER'S DECLINE OF OIL



Following a keynote address by Brian Fleay, to the biennial conference of the Chartered Institute of Transport in Australia (CITIA), the normally conservative body adopted a radical

"Statement of Outcomes" which it issued as a media release.

CITIA is the body of professional transport managers in Australia, and has a membership of about 2,000 senior managers of large transport companies, transport academics as well as the heads of State and Federal Government Departments of Transport and the relevant State and Federal Ministers. Fleay, the author of *Decline of the Age of Oil*, was one of the speakers at the 1996 CITIA conference. His presentation aroused such interest that he was invited back as the keynote lecturer in 1998.

Fleay told the conference that a consensus is emerging that cheap oil production outside the Middle East would begin permanent decline around the year 2000, to be followed by permanent world decline within 15 years.

The CTIA "Statement of Outcomes" warned "we are at the climax of the fossil fuel age". It noted that "the real cost of transport is going to increase and the decline in the scope and scale of present transport systems is inevitable and will be a major factor in setting the economic agenda for the 21st century".¹

"'More of the same' in our current transport plans and ways of thinking is no longer tenable" the CITIA wrote.

The CITIA said that it saw a need to communicate the looming issues of oil supply and sought "co-operation from the oil industry" to draw attention to the challenges posed by changes in oil prices and supply. Community awareness, the CITIA said, would be vital for "all policy formulation and decision making relative to the future of transport and fuel in Australia".

Charlie Richardson, Sydney, Australia. sydtrans@enternet.com.au

¹ The Chartered Institute of Transport in Australia, "Statement of Outcomes", 1998 National Symposium 'Beyond Oil: Transport & Fuel for the Future', Media Release, 7 November 1998.



Do you have a view?

If you have a view why not write a letter (keep it to 1-200 words) to the editor (bburton@hydra.org.au or PO Box 157 O'Connor ACT 2602 Australia).

RESOURCES

AVAILABLE FROM
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EDO REPORT

This publication contains 12 conference papers examining the strength and importance of public participation, actions against participants, case studies plus practical information on your legal rights and responsibilities.

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"Metals from the forests - Mining and forest degradation" a supplement to *Aborvitae* jointly published by World Wide Fund for Nature and the Netherlands Committee for IUCN, 1999. 36pp

Lavishly illustrated with photos, graphs and diagrams, this new publication demonstrates that mining is both a direct and underlying cause of forest degradation and loss.

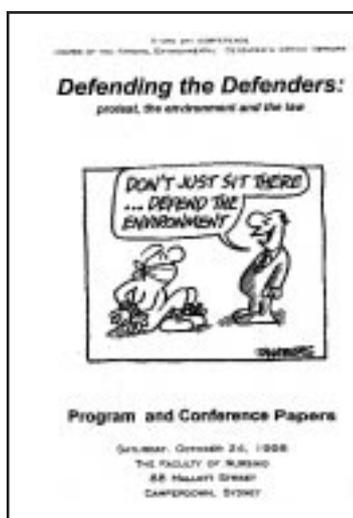
Attention is given to "hotspots" where mining threatens some of the world's richest forest ecosystems: the Guyanan and Andean regions of Latin America; West and Central Africa; the Russian Far East; Northern Canada and the Pacific Rim.

There are also brief sections on social impacts, indigenous peoples and mining in protected areas, where Australia's own shame, the proposed Jabiluka uranium mine, gets a mention.

Metals from the forests is written in a polite voice and doesn't rely on strong rhetoric - the authors let the images tell much of the story.

A major strength of this publication is that it is written in Spanish and French as well as English, making it a useful resource in places such as Latin America and New Caledonia.

Copies available from MPI for \$5.



Environmental Defenders Office, *Defending the Defenders Conference Papers Protest, the environment and the law*, Environmental Defenders Office, December 1998, 100pp



EPA SMOKED OUT

A Port Kembla woman, represented by Sydney-based Public Interest Advocacy Centre (PIAC), has been granted access to health and environmental impact studies on the Port Kembla Copper Smelter in a decision of the District Court late last year. The information, held by the Environment Protection Authority, was sought under the Freedom of Information Act by Wollongong resident, Helen Hamilton.

The EPA argued that release of the information would unduly heighten community concern. PIAC argued that in keeping the documents secret the EPA is feeding community alarm about toxic emissions. The documents are expected to reveal that emissions from the smelter, which contain high levels of lead, arsenic and sulphur, will continue to pollute the area.

PIAC

NUGGETS

THE 10,000 YEAR COMPANY

"ERA will ensure that the method used will be environmentally secure for in excess of 10,000 years."

Energy Resources of Australia submission to United Nations team assessing whether the Jabiluka mine threatens World Heritage values of Kakadu National Park.

(Source: Wayne Howell, "Aust's ERA says Kakadu less radioactive after mining", *AAP*, 29 October 1998.)



MCA DENIES DENIAL

"The industry has never been in denial", Minerals Council of Australia Executive Director, Dick Wells discussing the mining industry's campaign against the Native Title Act.

(Source: Scott McFarlane, "Federal ALP and mining industry clash over native title", *AAP*, 26 November 1998.)

SHARING A LITTLE OZONE

"People exposed to ozone actually adapt to it", Paul Bailey, Director of Health and Environmental Affairs at the American Petroleum Institute, told reporters as part of an industry campaign against new US air emission standards including ground level ozone concentrations.

(Source: David Helvarg, "The smog pushers", *Mother Jones*, 15 July 1997, http://.bsd.mojones.com/news_wire/coughers.html).

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