



MONITOR.

Monitoring the mining industry in Australasia and the Pacific

ICME OPPOSES INDONESIA'S NEW ENV. STANDARDS

The International Council on Mining and the Environment (ICME) is lobbying the Indonesian government to overturn new water pollution standards signed into law earlier this year by President Habibie.

In May 1999 new regulations were introduced to set standards that were to apply to discharges to the environment from mining operations. The Chairman of ICME and Managing Director of Western Mining Corporation (WMC), Mr Hugh Morgan, told a Minerals Council of Australia (MCA) conference the regulations were "drawn up in consultation with the Indonesian Mining Association".¹

Morgan said the regulations "were regarded as combining standards that were internationally acceptable as well as being appropriate for the Indonesian circumstances".

"When the regulations had been signed by President Habibie," Morgan told the MCA conference, "the industry discovered, to its horror, that the critical numbers for the levels of permitted concentrations of various metals and other waste constituents had all been altered".

Morgan claimed the new standards were so low that levels "for key elements were below background values, and impossible to meet, anywhere in the world." He fears "it will be virtually impossible to change those numbers back to their agreed value". Morgan said that the responsible Minister "was deeply embarrassed by what had happened" and "asked for a letter from ICME detailing the numbers which apply in overseas jurisdictions".

Australian-based members of ICME are BHP Minerals, Pasminco, Placer Dome



Emmy Hafid. Photo: Bob Burton

Asia-Pacific, Rio Tinto and WMC.

Emmy Hafid, the Director of Indonesian environment and human rights group WALHI, said that under the new regula-

"We never never get involved in saying what a standard should be".

Gary Nash

tions "all mining wastes have been considered as toxic waste unless it can be proven not to be". Hafid said "the current law is not perfect", but that the standards adopt a preventative approach. "What the mining companies are asking right now is to have the US EPA standards applied which take the approach that mining waste is not a toxic waste unless you can prove that it is so. In Indonesia it is the other way around", she said.²

ICME Secretary-General, Gary Nash, said that it had written to the Indonesian Minister and suggested ICME could assist with a workshop to review the standards by

bringing in 'experts'. The experts, Nash suggested, could "sit down and say 'here are the type of factors that one should take into account, here's what can be measured, here's what can't be measured, here is what is reasonably achievable'".³

Nash says that to date there has been no official response from the Indonesian Minister but "my informal network is that they may be interested in having some form of workshop".

While ICME is keen to change the standards they refuse to be drawn on what they would consider appropriate standards. "We never never get involved in saying what a standard should be ... I can tell you - a numbers game we won't touch" Nash told *Mining Monitor*.

Bob Burton

¹ Hugh Morgan, WMC Ltd, 'A sustainable minerals industry - a new era', Speech to the Minerals Council of Australia, 2 June 1999.

² Interview with Bob Burton, 11 September 1999

³ Interview with Bob Burton, 14 September 1999.

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LETTERS TO THE EDITOR

GOOD QUESTION

Why is it that billions of dollars are spent every year extracting gold from inaccessible parts under the earth's surface, in the process releasing vast quantities of toxic waste into rivers and streams only to spend millions more to lock it away in inaccessible bank vaults and safety deposit boxes?

Are we mad?

David Poland
Canberra

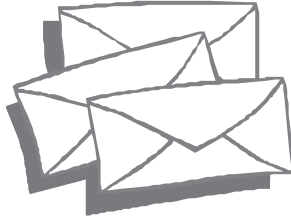
... AND A CURLY ONE

I am an environmental law student engaged to be married. However, my boyfriend and I haven't bought an engagement ring yet because we want to be sure to buy a stone and metal that does not involve horrible environmental impacts when it is mined. Is there such a thing? I'm aware that gold mining is really bad, as is diamond mining. Is there any kind of stone that is not harmful to the environment?

We have already discussed buying an antique ring which is my first choice. However I am also concerned that my wearing a diamond, even if it is antique, and thus recycled, implicitly advocates the value of wearing (and thus, mining) diamonds, which I really don't want to be a part of.

I know this may be a random question and if you can't answer it, could you point me in the direction of someone that could?

Sabrina Venskus
Portland, Oregon, USA



Editor's note: MPI has received a number of inquiries about whether there is any case for gold mining. This edition of *MM* has a feature (pp7-10) on the complex issues surrounding the impacts of gold production, the uses of gold and the controversy over the sale of the gold reserves held by various central banks.

LESS HOT AIR RISING

I accept that Mr Roodman of the Worldwatch Institute (*MM* June 1999) has written in good faith and with the best environmental intentions. However, it appears that he has little understanding of the complex interaction between the GST, the fuel excises, the rebates and the company tax system. If he did, he could not help but conclude that the tax package, as modified by the Democrats, reduces rather than increases subsidies for fossil fuels by around \$500 million over three years.

The Democrats have delivered a \$500 million increase in taxes on fossil fuels, \$937 million of new environment spending promoting renewable energies, alternative fuels and greenhouse gas abatement, and world best practice in fuel emission standards for new vehicles by 2006.

The commitment to move to EURO4 emission standards for diesel vehicles by 2006 underpins what will be a huge reduction

in particulate emissions, just one year behind Europe. EURO4 involves a reduction in particulate emissions of 95% against current standards (80% less than EURO3), carbon emissions 71% lower than current standards (28% lower than EURO3), and nitrous oxide emissions 60% lower than current standards (29% lower than EURO3).

Of repeated claims by some of our critics that the Government was soon to receive a report from the Motor Vehicle Environment Committee (MVEC) of the National Road Transport Commission recommending, with industry approval, precisely the measures agreed to in the tax package are simply untrue.

Industry had not ticked off the recommendations. More importantly, the MVEC's recommendations extended only to the implementation of EURO3 for diesel vehicles by 2005-6, with EURO4 only to be subject to a review in 2001 with a view to adopting Euro4 at a later date. The tax agreement mandates EURO4 by 2005-6. This goes well beyond the MVEC recommendations.

The tax agreement mandates 500ppm as the standard across the country by 2002. This reduces to 50ppm by 2006. This is consistent with environmental progress and responsibility, two of the key criteria in securing Democrat agreement.

I hope my response demonstrates the Democrats' commitment to clean up Australia's air.

Meg Lees
Leader, Australian Democrats

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) in Australasia and the Pacific.

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

Please consult the editor prior to submitting

material for major stories. You may send your suggestions, criticisms and praise relating to *Mining Monitor* as a letter to the editor.

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Mineral Policy Institute
Post Office Box 21
Bondi Junction NSW 2022
Australia

Phone 02 9387 5540
Fax 02 9386 1497
Email: mpi@mpi.hydra.org.au

<http://www.hydra.org.au/mpi/>

PATRON
Bob Brown

TREASURER
Geoff Lambert

STAFF

DIRECTOR
Geoff Evans

**RESEARCH
CO-ORDINATOR**
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Paul Chatterton

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**INFORMATION
OFFICER**
Igor O'Neill

IUCN SOFTENS PARKS POLICY TO PLEASE ICME

The International Union for the Conservation of Nature (IUCN), the international peak conservation group, has weakened its policy on mining and national parks in response to lobbying from the international mining industry.

The head of the IUCN's Programme on Protected Areas, David Sheppard, insists that the draft "Position Statement on Mining and Protected Areas" was not changed. Asked for a copy of the draft policy, Sheppard insisted to *Mining Monitor*, that "there is only one statement and that is the one I sent".

However, the Vice President of Public Policy for the Ottawa-based International Council on Metals and the Environment (ICME), Scott Houston, told *Mining Monitor* that "we were quite pleased that IUCN took on board one or two of our major concerns". In particular, Houston said, he was pleased with the additional clause which stated that in the process of identifying new protected areas "assessment should be based on good science including assessments of natural and mineral values" (emphasis added).

In its submission to IUCN, ICME outlined how this policy change would work. Pointing approvingly to the Canadian province of Saskatchewan, ICME said that if the Ministry for the Environment proposed a new protected area "the Ministry of Energy and Mines is required to do an appraisal to determine if the proposed area contains zones of high mineralogical potential. Industry is consulted to evaluate the appraisal".¹

Spelling out the consequence for possible protected areas ICME wrote, "that whenever practicable and feasible, zones of high mineralogical potential would be excluded and boundaries for the proposed new protected area altered accordingly". The provision has the support of the Minerals Council of Australia, which was consulted on the preparation of the ICME sub-



The Tyndall Range in Western Tasmania - a possible loser from the new policy.

Photo: Bob Burton.

mission. IUCN's David Sheppard did not respond to inquiries from *Mining Monitor* about changes made to the draft policy.

While IUCN gave ground on procedures for

"whenever practicable and feasible, zones of high mineralogical potential would be excluded".

ICME

the investigation of new protected areas, ICME was rebuffed in its push to have mineral exploration and mining allowed in National Parks.

In its submission to IUCN, ICME argued for mining to be allowed in all categories of reserved lands including national parks and wilderness areas. "New science-based land management approaches have emerged in recent years", ICME wrote, "that are designed to facilitate the joint pursuit of biodiversity conservation and controlled exploitation of natural resources ... A more balanced, flexible approach to mining and protected areas would enjoy

broader-based political support at the international level".

Allowing mining in protected areas, ICME argued, would increase social wealth and reduce rather than increase threats to protected areas. "Two of the main threats to the system of protected areas are poverty and a general lack of human and financial resources to ensure that such areas are effectively managed and ecological values are protected", it claimed.

While ICME agreed that 'advanced' exploration projects should be subject to environmental impact assessments it saw no need for these to be required for preliminary exploration programs. Approval for "advanced mineral exploration" ICME argued "should carry with it a presumption of the right to develop, unless a clear assessment of the environmental, economic and social impacts dictates otherwise".

Not content to push for mineral exploration and mining in National Parks, ICME also argued that the boundaries of existing protected areas should be subject to "periodic reviews ... to determine if changes in boundaries are warranted in light of changing ecological and natural resource values".

The banning of mineral exploration and mining in National Parks, ICME argued, "could deny present and future generations the possibility of important economic and social development opportunities as well as eliminate the possibility of mineral sector contributions to biodiversity conservation."

Bob Burton

¹ The International Council on Mining and Environment, 'ICME comments on IUCN's draft policy on mining and protected areas', unpublished, April 1999.



BHP OFFLOADS OK TEDI PROBLEMS TO PNG GOVT

In mid-August BHP released a series of reports revealing that the environmental damage caused by dumping tailings in the Fly River is massive and going to get worse. BHP has presented the reports to the near-bankrupt Papua New Guinea (PNG) Government and expects a decision on what are BHP's obligations for repairing the environmental and social impacts caused by the Ok Tedi mine.

With the Ok Tedi mine accounting for 20 per cent of PNG's export income, BHP is in a strong bargaining position to negotiate favourable terms for either the ongoing dumping of tailings or leaving the project without incurring major clean up costs.

"With the benefit of these reports and 20/20 hindsight the mine is not compatible with our environmental values and the company should never have become involved," BHP's Managing Director and CEO, Paul Anderson said.¹ However, BHP has not given a commitment to pay for the costs of rehabilitation. The Port Moresby-based Manager of Ok Tedi Mining Limited (OTML), Vincent Bull, insists *"we don't have a preferred option"* on how to deal with the damage from mine wastes.²

However, BHP has presented four possible options for the PNG government to consider. These are: the immediate closure of the mine; continued mining and tailings dumping for at least another ten years; continued mining along with the dredging of tailings from the river; and continued mining with the construction of a tailings dam.

A fifth option, preferred by environmental groups in Australia and PNG, in which the mine closes at the end of 1999, but with continued OTML involvement in the rehabilitation of the river system and the transition of local people towards a sustainable livelihood, has not been considered.

Community groups, however, fear that



BHP CEO Paul Anderson. Photo: BHP.

BHP is considering adding its 52 per cent shareholding in the Ok Tedi mine to the list of copper projects it is closing or selling. *"BHP shareholders should bear the environmental cost of mine closure, and should not be allowed to offload their environmental responsibilities onto the PNG taxpayer and the government of PNG,"* said Brian Brunton, the spokesman for Greenpeace PNG.

In 1996 BHP was forced to commission reports into the environmental and social impacts of the mine because of the landmark legal settlement of a class action taken by 30,000 Papua New Guinean villagers. The landowners launched a \$4 billion damages claim against BHP in the Victorian Supreme Court in Australia for

economic loss and environmental damage and argued that BHP should be forced to build a tailings dam.

BHP responded by secretly drafting legislation for the PNG government, a 30 per cent shareholder in the Ok Tedi mine, making it a criminal offence to take legal action against BHP in courts outside PNG. BHP was found guilty of contempt of court for attempting to prevent a person in a case before the courts continuing their action. (The contempt finding was later overturned on appeal).³

Damaged by the controversy, BHP agreed to an out of court settlement with the landowners including the investigation of the alternatives for disposing of the mine waste and a compensation package for the landowners adversely affected.⁴

The core document is the draft Detailed Level Risk Assessment (DLRA) which canvasses the ecological and human health risks posed by the various options for the Ok Tedi mine. The Peer Review Group (PRG) created by BHP to review the reports on the mine's impacts stresses that the reports are not yet finalised.

One scientist, who requested anonymity,



OUTSOURCING OK TEDI'S PROBLEMS

BHP's recent handling of the Ok Tedi disaster echoes the approach of one of the world's leading PR crisis managers, US-based Peter Sandman. Sandman has advised BHP and other Australian mining companies that they should defuse opposition from community groups by outsourcing hard decisions.

"Offer communities the choice of either insisting on environmental clean-up or trade possible benefits from the company for other social services" he said. *"This is a way of getting external groups to face hard choices, and of outsourcing controversial decisions that would have little credibility if made within the company,"* he said.

PAPUA NEW GUINEA

BHP OFFLOADS OK TEDI PROBLEMS

describes the DLRA document as “a fair summary of the *uncertainties* surrounding both the present situation in the Fly River system and the potential impacts in the future. It is definitive about very little, ranging from uncertainty over the potential risks to humans, to the lack of data on the potentially catastrophic effects of Acid Mine Drainage”.

The volume of the tailings dumped in the river is the biggest single problem. As the riverbed has been raised by the dumped tailings, flooding over the riverbanks has increased. Each flood has spread the tailings even further through the surrounding forests killing forests through “dieback” and smothering village gardens.

The reports to BHP acknowledge that the problem will continue for decades, even if the mine stopped this year, as material already in the upper sections of the river moves downstream. However the PRG has stressed that the future extent of flooding remains unknown in the absence of estimates of the amount of material already in the river system.

The estimates of the final extent of forests killed by dieback ranges between 3,789

square kilometres, and an optimistic 1,883 square kilometres. The PRG stresses, however, that it remains unknown what will be the ecosystem and health effects from the loss of biodiversity, the impacts on food resources and whether there will be an increased risk of malaria or other water related illnesses.

Worse still, the potential magnitude of acid rock drainage (ARD) is largely unknown. (ARD refers to the generation of sulphuric acid after sulphide-bearing rock is exposed to oxygen and water.) The PRG was critical of BHP’s tardiness in addressing this major issue. “ARD modelling is in the pre-

“ARD modelling is in the preliminary stages with a great deal more work to be done”.

*liminary stages with a great deal more work to be done. This is a critical piece of work relative to both environmental and mine management issues, and should have been done earlier”, they wrote.*⁵

The PRG went on to state “if risks from ARD and metal leaching from deposited material cannot be eliminated or at least minimised, the environmental

consequences will be extremely grave”.⁶ The study on fish toxicity, the PRG wrote, was “disappointing ... the methodology, reporting and report are in general inadequate and do not resolve the issue”.⁷

The PRG has rejected BHP’s claim that the reports would be a world class risk assessment. The PRG warned that the report “will not be a ‘world class risk assessment’ given the major uncertainties remaining. However, it is still our opinion that the DLRA will be a useful document for decision making”.⁸

The PRG warned that the limited time available for preparing the work would mean the final reports would contain many qualifying statements to allow for the many uncertainties in analysing such a complex task.

Bob Burton

¹ BHP, ‘BHP and Ok Tedi’, Media Release, 11 August 1999.

² Interview with Bob Burton, 10 August 1999.

³ See Bob Burton, ‘The Big Australian’s contempt’, *Mining Monitor*, Vol 1 No 1 February 1996, pp 4-5.

⁴ Bob Burton, ‘Ok Tedi truce’, *Mining Monitor*, Vol 1 No 3, September 1996, page 3.

⁵ Ok Tedi Mining Ltd (OTML), Draft Executive Summary, Assessment of Human Health and Ecological Risks for proposed mine waste mitigation options at the Ok Tedi mine, OTML, August 1999.

⁶ Peer Review Group statements in above.

⁷ *ibid*

⁸ *ibid*.



MPI APPOINTS FUNDRAISER

Mention the word fundraising and people roll their eyes to the ceiling, look away or audibly groan... and yet fundraising remains an organisational priority for most not-for-profit, campaigning organisations. Fundraising is also a priority for MPI.

We realise we can not expect to meet our campaign goals without a stable financial base from which to work. Fortunately, with the assistance of the Poola Foundation, MPI has been able to hire a part-time fundraiser. This issue of *Mining Monitor* introduces our newly appointed fundraiser, Peter Mitchell.

Peter has been employed as a fundraising consultant for MPI since April 1998 and the staff and board are happy to welcome him on a more permanent, less *ad hoc* basis. Peter comes to us with extensive experience in fundraising, marketing and campaigning. He started off in Greenpeace NZ’s canvass operation as a Field Manager and Canvass Director, then became a Fundraiser for Amnesty International working mostly in direct mail and special events. He later joined WWF as Direct Marketing Manager, and The Smith Family as National Marketing Manager. He currently lives and works from the mid-north coast of NSW.

In the coming months Peter’s work will focus on renewing past supporters and promoting MPI through the colourful Avant Card stands in cafes. We wish him well in his efforts to attract and maintain support for MPI’s critical environmental campaigning.

Geoff Evans

GOVT DEAL SEALS BIGGEST RE-WRITE OF GREEN LAWS

The Commonwealth Government is about to commence negotiations with State Governments to determine the extent of environmental responsibilities to be handed back to the States. The negotiations follow the Howard Government's success in gaining support from the Australian Democrats to pass new environmental legislation that streamlines "approvals" for major development projects.

The legislation also provides for the signing of bilateral agreements between the States and the Commonwealth under which States' environmental management regimes would be "accredited" by the Commonwealth. Once accredited environmental management regimes are in place the role of the Commonwealth will be restricted to a narrow range of policy areas that are included as potential national triggers to Commonwealth involvement in decision making.

The passage of the legislation was achieved after the Government negotiated over 400 amendments with the Australian Democrats. Central to the deal was the support of four conservation groups – World Wide Fund for Nature, Humane Society International, the Queensland Conservation Council and the Tasmanian Conservation Trust.

Fearing that the draft legislation would pass unamended the four groups participated in extensive secret negotiations for over a week with the Democrats and the Government. Other groups participating in a coalition of groups working on the environmental legislation were excluded from the secret negotiations. Other members of the environment groups coalition heard the details of the deal when it was announced at a media conference.

The Director of the Australian Centre for Environmental Law at the University of Adelaide, Associate Professor Rob Fowler, worked his way through the amendments



Big projects are the big winners from the new law. Photo: Bob Burton.

to assess the impacts of the bill. Fowler warned that "whilst there are numerous commendable improvements to the Bill, particularly concerning biodiversity protection, I believe that it remains fundamentally flawed in relation to the provisions for bilateral agreements with the States".¹

"Bilaterally accredited management plans leave open the prospect of a wide range of approval powers being delegated to the States".

Rob Fowler

Fowler focussed on two particular aspects that troubled him most. "Bilaterally accredited management plans leave open the prospect of a wide range of approval powers being delegated to the States".

Worse still, he warned "I believe it would still be possible as a matter of law for a State government to approve a Franklin dam or a sand-mine on Fraser Island without necessarily being in breach of an accredited management plan, bilateral

agreement or the Act itself. In such circumstances, the Commonwealth would be powerless to intervene".

While the Democrats and the four groups supporting the legislation argued that it would be an improvement on the existing situation, Fowler thought otherwise. "I reluctantly conclude that the amended Bill is still inferior to the existing scheme of ad hoc triggers for Commonwealth assessment and approval in relation to environmental matters", Fowler wrote.²

While the new legislation improves provisions for biodiversity protection, it potentially allows the development of nuclear power without triggering Commonwealth environmental assessment. Part of the deal negotiated between the Government, the Democrats and the four conservation groups that split from the coalition was agreement to support the guillotine to force the bill through before June 30.

The suggestion of the four groups that Senator Harradine or Colston would vote for the unamended legislation was unfounded. Harradine and Colston voted with the Australian Labor Party and the Australian Greens to defer the legislation and allow more time for consideration of the amendments put forward by all the parties. However, the Government only needed the support of the Democrats which guaranteed the quick passage of the bill.

In two days the most substantial re-write of Australia's environment legislation, along with over 400 amendments were rammed through the Parliament. While the deal provoked a bitter split within the environment movement, Senator Hill was smiling.

Bob Burton

¹ Australian Conservation Foundation, 'Top environmental lawyer slams amended package', Media Release, 23 June 1999.

² Ibid.



IS GOLD MAKING FOOLS OF US?

Around the world there is a growing number of people asking the simple question, "Why are we mining gold at all?"

US resources researcher John E. Young wrote: *"Almost every conceivable crime has been committed in the name of gold. The lustrous metal of Kings has been synonymous with wealth — and power — since the dawn of civilisation. Gold is so rare, beautiful, and malleable that wars have been waged for it, empires toppled, and uncounted lives lost. But in all tales about the lust for gold, one side of the story usually been left out; the metal's prodigious environmental cost."*

Australia is the world's third largest producer of gold with nearly 80 per cent of that coming from just one state, Western Australia. Australian companies Normandy Mining, Rio Tinto, WMC, Joseph Gutnick's Great Central Mines and BHP are all in the top twenty of the world's gold producers.

Approximately half of all the funds spent on mineral exploration in Australia (excluding petroleum) is for gold. The largest seventeen gold mines by production account for half of all the gold in Australia. One mine, the Kalgoorlie Superpit, at seven kilometres long, two kilometres wide and one kilometre deep, is one of the largest holes dug in the earth.



Gold mines keep getting bigger and mining lower grade ore. Photo: Bob Burton.

"For sheer destructive power," Young wrote, "few human activities compare to

"...gold mining produces more waste each year than does iron mining, even though the world digs up 200,000 times more iron".

John E. Young

gold mining ... Mines produce, on average, nine tons of waste for every ounce of gold. To produce 2,170 tons of gold in 1992 they generated an estimated 650 million tons of waste. In fact, gold mining produces more waste each year than does iron mining, even though the world digs up 200,000 times more iron". Every ton of gold produced generates three million tons of waste rock and tailings.

Each year the environmental costs of gold mining increase. With the advent of new processing technologies in the early 1980s many formerly uneconomic low-grade ore bodies became profitable. Mining lower grade ore deposits means moving and

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IS GOLD COSTING THE EARTH?

"Gold occurs in such minute quantities in the earth's crust that miners must sift through large amounts of soil and rock to obtain even a few ounces. Only the metal's high price — more than \$US300 an ounce — makes the search payoff.

"Not included in the miners' balance sheets, however, is the damage gold mining inflicts upon ecosystems and people. The waste generated each year by gold mining operations could fill enough 240-ton dump trucks to form a bumper to bumper convoy around the equator".¹

¹ John E Young, 'For love of gold', *World Watch*, Worldwatch Institute, June 1993, pp 19-26.

FORUM: GOLD

treating increased volumes of ore and overburden. More water, energy and processing chemicals. Larger mines, bigger impacts.

Around the world gold mining has become synonymous with leaking or collapsing tailings dams and acid mine drainage. In some areas it has seen indigenous people adversely affected the creation of new roads, the cavalier use of mercury, diseases brought in by invading miners, and human rights abuses by military and paramilitary groups.

Who needs gold? The World Gold Council (WGC), the peak lobbying group for the global gold mining industry, concedes: “people do not need gold. They have never needed it. Unlike a roof over your head and other basics, gold is an optional extra”. While the WGC concedes gold is not a necessity, it argues that people “do want it ... for reasons of security, for status, for pleasure”.

While gold might not be a necessity, in the last twenty years the gold mining industry has enjoyed a massive growth in demand. Between 1980 and 1998 the amount of gold physically consumed has climbed from a little under 1,000 tonnes to over 3,500 tonnes. Recent figures reveal that approximately 85% of the gold consumed is used in jewellery with 70% of that going to women. The US has the highest per capita consumption of gold. San Francisco based environmental watchdog group Project Underground estimates that approximately 10% of new gold is being used for high school graduation and fraternity rings.



The Kalgoorlie Superpit: big enough to see from satellites. Photo: Bob Burton.

The bulk of the growth in the last twenty years has occurred not in the developed world but in countries such as India where gold has strong cultural links. In 1980 In-

“There is enough gold stashed away in vaults around the world ... to supply existing physical demand for approximately a decade”.

dia used about 50 tonnes of gold or 5% of world consumption. Eighteen years later India consumed 815 tonnes or more than a fifth of world consumption and nearly twice as much as the United States.

Why the growth? Much of the growth in demand is associated with gold gifts for weddings, as a fashion item for the burgeoning middle class and as a safe investment in areas where banking facilities are scarce or of dubious stability.

There is enough gold stashed away in vaults around the world, much of it held by central banks, to supply existing physical demand for approximately a decade. Gold has already done its damage – environmental and social – and distributed its economic benefits.

When currencies were backed by gold, central banks were required to hold gold reserves. However, since the early 1970s most of the world’s major currencies have been floated free of the gold standard. Increasingly central banks are calculating

What’s in a gold ring?

If you go looking for a gold ring at a jeweller you will not only have to decide on the design you like but whether you are happy to settle for an eighteen carat gold ring or not.

Carats are a measure of purity of the gold. Eight carat gold is 33% pure while eighteen carat gold is 75% gold. In Australia, Japan, the US and much of Europe most gold jewellery is in this range. However, in Asia and the Middle East gold jewellery is commonly between 21 carat (88% gold) and 23 carat (96% gold).

However, there are many unaccounted costs. As US researcher John E Young put it “the material removed by US miners to produce enough gold for an average pair of wedding bands could make a six foot wide, six foot deep and ten foot long pile in the happy couple’s backyard”.¹

¹ John E Young, “For love of gold”, *World Watch*, Worldwatch Institute, June 1993, pp 19 — 26.

FORUM: GOLD

their gold reserves, which attract no interest, as a loss-maker that should be disposed of. They are being joined by a loose coalition of community groups concerned about the impacts of gold mining and the economic costs of holding onto gold reserves.

Development advocates have said that the International Monetary Fund should sell its gold to allow it to write off developing countries' debts.

Selling the gold, they argue, would reduce the need for new gold exploration and thereby relieve the pressure on remote areas and indigenous lands. Gold sales by central banks would lower the price of gold and decrease the amount of funds available for gold exploration.

In 1997 the Reserve Bank of Australia sold two thirds of its gold reserves prompting a furious outburst by the gold mining industry. The 167 tonnes sold by the Reserve Bank of Australia was small beer compared to the holding of some other central banks. Belgium, the Netherlands and Luxembourg sold 1,718 tonnes in the lead-up to the formation of the European Monetary Union. Research economist with Britain's National Westminster Bank, John Slater, argues that *"the typical reasons for holding gold, at least in developed countries, don't exist anymore"*.¹

The US Government, which holds 8,135 tonnes, has not sold gold since 1979. In a paper for the US Federal Reserve, University of Michigan Professor, Stephen Salant, and Federal Reserve official, Dale Henderson, estimated that by not selling all its gold reserves the US lost tens of billions of dollars in foregone income.² Salant argues that while sales would have adverse impacts in mining regions the benefits would outweigh the costs especially if targeted programs were established to minimise the costs.

The Swiss central bank holds 2,600 tonnes and half of that is proposed for sale if approved by a national referendum later this year. The formation of the European Central Bank in mid-1998 has left 12,000 tonnes held by various central banks of European Union member nations.

For its part the gold mining industry vehemently opposes any further central bank sales. Faced with decreasing gold prices it



Gold mining has caused the dispossession of indigenous people. Photo: Bob Burton.

The World's Largest Gold Mining Companies

Name	Country	Production in tons	% of World Production
1. Anglo American	South Africa	294.83	11.9
2. Newmont	USA	124.62	5.0
3. Placer Dome	Canada	106.0	4.3
4. Barrick	Canada	99.91	4.0
5. Freeport McMoRan	USA	91.04	3.7
6. Homestake	USA	73.39	3.0
7. Rio Tinto	Australia\UK	64.12	2.6
8. Normandy	Australia	50.69	2.1
9. Gencor	South Africa	50.06	2.0
10. Kinross,	Canada	37.81	1.5
11. Noranda	Canada	36.74	1.5
12. Lonmin	UK	31.1	1.3
13. Consolidated African	South Africa	30.42	1.2
14. Rembrandt	South Africa	30.18	1.2
15. Harmony	South Africa	30.13	1.2
16. Western Mining Corporation	Australia	24.73	1.0
17. Anglovaal	South Africa	22.94	0.9
18. Great Central Mines	Australia	21.9	0.9
19. BHP	Australia	19.44	0.8
20. Durban Roodepoort Deep	South Africa	18.1	0.7

Together the world's twenty largest gold mining companies control 50.9% of world production. Of these companies seven are based in South Africa, four each in Australia and Canada, three in the United States and two in the United Kingdom.

* Anglo American owns 50% of Driefontein. The remaining shares in this mine is owned by Gencor and Rembrandt, also of South Africa.

SOURCE: Raw Materials Data, Stockholm 1999. Table courtesy of Project Underground USA.

FORUM: GOLD

has grabbed the opportunity to push government to give them even more generous tax concessions. With central banks holding in the order of 35,000 tonnes of gold the gold mining industry fears large sales would not only depress prices but cause major corporate collapses.

In Australia, gold mining companies are amongst the biggest beneficiaries of policies aimed at subsidising the mining industry. These include the weakening native title legislation and preservation of cheap diesel fuel prices. Not content with these concessions they are now pressing the Federal government for more generous taxation concessions.³

Through the WGC, the industry is mounting a major lobbying campaign against further sales, while simultaneously trying to promote gold consumption, especially in developing countries such as in India. Spokesman for the WGC, Victor Webb, argues that *"it's not so much the physical effect of gold entering the market. The*



Gold mining threatens remnant natural environments. Photo: Bob Burton

"In Australia, gold mining companies are amongst the biggest beneficiaries of policies aimed at subsidising the mining industry".

thing that troubles everybody is the psychology of it all. If institutions believe that gold can be sold, and perhaps by definition no longer has value as a currency and reserve asset, then that erroneous belief does more damage than introducing relatively small amounts of gold onto the market".⁴

Bob Burton

1 'Miners pay for lackluster gold price', *Associated Press*, 12 July 1999.

2 'Experts: US should sell its gold', *USA Today*, 12 July 1999.

3 Bruce Hextall, 'Gold pushes for a special tax deal', *Australian Financial Review*, 28 July 1999, p.24.

4 'IMF nations plans to sell gold stir political fight', *Washington Post*, 8 July 1999.



GOLD RESOURCES

More information on the gold debate can be obtained at Project Underground on its website at <http://www.moles.org> and the World Gold Council at <http://gold.com>

The World Gold Council (WGC)

The World Gold Council is funded by a \$US1 per ounce levy on the gold production of its members which mine 41% of Western gold production. With a budget of \$US58 million in 1996 the WGC has over 148 staff located in 24 countries dedicated to maintaining and expanding world gold consumption. The WGC poses the question to its potential member companies *"If we do not market gold, who will?"*

Approximately \$35 million of the WGC's budget goes on *"spending to achieve structural change in the gold market."* The remaining \$23 million is spent on *"the motivation of the trade"* including \$4 million on advertising. The Chairman of the WGC is Don Morley, the Chief Financial Officer at Western Mining Corporation and its Vice-Chairman is John Willson, President of Placer Dome Limited.

World Gold Council Members (as at 1 July 1999)

Australia: Central Norseman Gold Corporation Limited, Gasgoyne Gold Mines N.L., Gold Corporation, Homestake Gold of Australia Ltd., Placer Dome Asia Pacific Ltd., Sons of Gwalia Ltd., WMC Resources Ltd.

Canada: Barrick Gold Corporation, Battle Mountain Canada Ltd., Euro-Nevada Mining Corporation Ltd., Homestake Canada Inc., Placer Dome (CLA) Ltd.

Chile: Minera Homestake Chile S.A.

South Africa: AngloGold, Avgold Ltd., Gold Fields Limited.

USA: Coeur d'Alene Mines Corporation, Franco-Nevada Mining Corporation Ltd., Homestake Mining Company, Newmont Mining Corporation.

Japan: Mitsubishi Materials Corporation, Sumitomo Metal Mining Co.

China: China National Gold Corporation.

WILL BHP "CUT AND RUN"?

The environmental disaster at BHP's Ok Tedi Mine in Papua New Guinea is an ethical, not a commercial issue. The problem is quite simple: will a giant corporation be accountable for the disastrous environmental and social impacts its activities have on present and future generations? Will it jump ship and leave the mess for someone else to clean up, or will it pay to fix up the environmental and social impacts its mine has caused?

In August 1999 I attended a briefing in Port Moresby as a guest of Ok Tedi Mining Ltd (OTML), the mine operator (52% owned by BHP). My trip was paid for by BHP, part of its crisis management in action, which amongst other strategies involves engaging critics in dialogue.

BHP acknowledges the important work the Mineral Policy Institute and other non-government organisations do, providing independent research and advocacy support, and demanding accountability of giant corporations to communities impacted by their actions.

Unfortunately, the experience of many Melanesians of the development operations of Australian companies has not been good. Ok Tedi might be the latest flare-up but it is accompanied by many other mining-initiated environmental disasters and community conflicts in Melanesia such as at Freeport, Porgera and Bougainville.

OTML and BHP need to come clean about Ok Tedi. OTML's research indicates the mining operation is moving into even more dangerous territory, with increased risk of acid mine drainage and metal leaching from yet-to-be-mined deposits.

Their studies are incomplete and inadequate in several critical areas, but it is clear that the impacts of materials already dumped

into the Ok Tedi River on fish, adjacent swamps and forests are appalling, long lasting, and likely to cascade down the Fly River to the Torres Strait.

Local landowners I spoke to at the OTML briefing told me they are worried the company will "cut and run" leaving them with a problem that will last generations. They acknowledged that previously subsistence communities are now dependent on cash from the mine. They are concerned and confused about their future.

BHP's record at Ok Tedi does not promote confidence that it will apply the same ethical standards in PNG as it would in Australia. After all, BHP would never have been allowed to dump waste rock and tailings in Australian rivers, as it has at Ok Tedi.

What options are now available to affected communities and the Government of PNG once the mine closes, whether that be in one or ten years?

"BHP's values ... will be demonstrated by the extent to which BHP implements proper mine closure processes, and internalises the social and environmental costs of Ok Tedi".

How much does it cost to rehabilitate over a thousand kilometres of damaged river, or vast areas of swamps and forests plastered with tailings? How long will it take to recreate sustainable local economies, when Ok

Tedi is gone?

MPI is working with affected communities and PNG NGOs, providing independent analysis of information supplied by BHP/OTML. We are also researching precedents and mechanisms set elsewhere for a mine exit plan which can ensure sustainability of livelihoods for all communities affected by the Ok Tedi mine.

BHP is used to paying out money for non-performance. After all, the company has written off A\$2 billion dollars for the non-financial performance of the Magma Copper purchase. The challenge is for BHP to demonstrate its environmental values by paying out for non-environmental and non-social performance.

BHP's CEO, Paul Anderson says the mine "is not compatible with BHP's environmental values". (AFR, 12/8/99) But values are measured by what we do, not what we say. BHP's values won't be judged by rhetoric and public relations spin. BHP's values will be demonstrated by the extent to which the company internalises the full social and environmental costs of Ok Tedi.



Geoff Evans.

*Geoff Evans,
Director
Mineral Policy Institute*

Notice of Annual General Meeting

The annual General Meeting of the Mineral Policy Institute will be held as follows:

Please note: Food available at your own expense (reasonable prices). Guest speaker to be advised.

**Wednesday 10th November 1999 at 6:30 pm
The Green Room at the Green Iguana cafe
6 King St Newtown, Sydney (city end of King St.)**

PAPUA NEW GUINEA

RAMU PARTNER LAUNCHES LEGAL SQUABBLE

Australian Stock Exchange listed company, Highlands Pacific (HP) is rushing headlong into a potentially disastrous mining project in Papua New Guinea (PNG) which has attracted unprecedented levels of public and government criticism. The project is further jeopardised by a feud between the project partners that has erupted in PNG's National Court.

The Ramu nickel-cobalt joint venture proposes to dump toxic tailings (mine waste) directly into Basamuk Bay, a smaller embayment of the larger Astrolabe Bay near Madang on PNG's north coast.

HP holds approximately 60 per cent interest in the \$1.33 billion Ramu project and manages the project, with Nord Pacific Ltd taking up a remaining approximately 30 per cent. HP's share price has been steadily declining and is now worth approximately one-quarter its value of two years ago.

The area is the base for PNG's largest tuna fishing fleet, an industry worth US\$400 million annually. Criticism from within government has been fierce, with PNG's National Fisheries Authority declaring "*the Ramu project is unsustainable socially, economically and environmentally and cannot be allowed to proceed*".¹

Landowners and PNG's Department of Environment and Conservation are being rushed to comply with HP's hasty timetable while environmental concerns persist. Landowners have been pushed to sign a draft Memorandum of Agreement, before a government-commissioned review of the project Environmental Plan is completed.

Protests have already resulted in a number of arrests and damage to company property. In Mindere, a village in the Rai Coast region, local community members destroyed the guardhouse at the company camp damaged company vehicles.

HP and North American joint venture partner,

Nord Pacific, are engaged in a legal battle in the PNG Courts over the correct interpretation of the Joint Venture Agreement.

HP has filed papers with the National Court of Papua New Guinea and engaged a Queen's Counsel to pursue its partner in the Ramu project, which has reservations about spending money on the project before proper financing and approval processes are complete.

Referring to the dispute, a source in Nord Pacific said "*there may be an element of truth*" in the suggestion that Highlands Pacific is rushing the environmental and landowner approval process. In an eerie parallel of

statements by BHP's Paul Anderson about the Ok Tedi debacle, the source commented that "*with 20/20 hindsight, things could have been handled better*".



Igor O'Neill

MPI Information Officer

1 PNG's National Fisheries Authority, *Recommendations on the Ramu Nickel Project Environmental Plan*, 31 March 1999, Port Moresby.



MCA REVIEWS CODE OF CONDUCT

The Minerals Council of Australia (MCA) recently released a draft review of its Code for Environmental Management. The MCA has undertaken this review in response to critiques of the Code from within and outside industry. MPI was invited to provide its feedback.

The Code for Environmental Management proposes several issues for consideration by mining companies when undertaking a mining project. The list includes the 'triple bottom line' — considering the economic, social *and* environmental impacts that may occur.

The code is a step in the right direction for the minerals industry, given it has been, and continues to be, responsible for devastating environmental and social issues associated with mining projects. However, the code is a voluntary set of principles, which ensures PR accolades for the companies that sign on, but it has no method of enforcement or for making the member companies accountable.

Without binding compliance to the code, environmental and social improvements may be neither binding nor long-term. Additionally, the proposed in-house monitoring scheme reduces the credibility and the success of the code.

The introduction to the Code comments that the Code is "not about setting standards". Indeed, the only environmental and social improvements that can and will be made are through rigorous and common standards. This maintains a high and common level of environmental and social protection that is

recognisable across the board. The MPI examined the Code and recommended major changes including that:

- the proposed "community partnership" between the companies and the surrounding community must ensure that all affected and involved communities are fully informed, and that an independent facilitator is involved in this communication;
- for adequate Code compliance and assessment, an independent (and accessible) monitoring system be used, and sanctions be applied for non-compliance; and
- the Code be binding on those who choose to participate in the code.

The Code for Environmental Management has been developed at a time when environmental, social and economic issues need to be addressed. The code can help push companies to improve their performance but it is no substitute for regulation.



Nina Lansbury,

MPI Research Coordinator



KYRGYZSTAN

CYANIDE VICTIMS STRUGGLE ON

A year after a lorry supplying a Canadian-owned mine, Kumtor Operating Company, spilled 1.7 tons of highly toxic sodium cyanide into the Barskaun river in the former Soviet republic of Kyrgyzstan, villagers are still struggling to gain compensation and adequate medical treatment.

In the aftermath of the spill authorities in the newly independent country, located in central Asia and bordering China, have downplayed the health impacts of the spill. The Executive Director of US-based Mineral Policy Center, Stephen D'Esposito, who visited the site after the spill says that at first Kyrgyz medical authorities attributed four deaths to cyanide poisoning.



Executive Director of MPC, Stephen D'Esposito. Photo: Bob Burton.

A review by the Ministry of Defense of the Russian Federation confirmed one of those deaths was "causally" related to cyanide poisoning. A subsequent report expressed doubts that any deaths occurred, but according to D'Esposito, "they were unable to gain access to medical records and so did not reach a definitive conclusion", he says.

"MPC has the head of the local hospital on tape saying that four deaths were attributed to cyanide exposure and that after the fourth death, medical officials were instructed by the Kyrgyz government to stop reporting cyanide deaths", D'Esposito says.

According to the Bureau of Human Rights and the Rule of Law, a local NGO group, the head

of the local medical centre, Dr Kazybekov, confirmed two deaths resulted from the cyanide poisoning. Dr Kazybekov also confirmed that 2,168 villagers, out of 6,397 of the total number of inhabitants, are registered in his medical center as the victims of cyanide poisoning. Most of the patients have complaints about skin diseases, eyesores, severe headaches and blood pressure irregularities.

Early in May 1999 victims of the spill blocked access to the mine and launched demonstrations against the local administration. Villagers destroyed two trucks working at the mine and when the police were called in clashes occurred. Two villagers and five policemen were later sent to hospital. Police later arrested 34 villagers, but those who remained free captured three local officials and held them for ransom. Later, government officials said one of the local officials taken hostage by the Barskaun villagers was responsible for embezzling a large portion of the promised compensation.

On the first anniversary of the spill, 20 May 1999, a group of NGOs and media from Bishkek, the capital city of Kyrgyzstan, joined the villagers to commemorate the tragic events and to assist the people of Barskaun to get proper compensation.

PAKISTAN

SHELL PUSHES TO EXPLORE PAKISTAN NATIONAL PARK

An oil and gas exploration licence over most of Pakistan's Kirthar National Park has been granted to a consortium, called Premier Shell, that includes Anglo-Dutch oil company Shell.

The Kirthar National Park, located near Karachi, is the largest National Park in Pakistan.

Pakistan's Ministry of Petroleum and Natural Resources has given Premier Oil Exploration Ltd., Lasmoo Oil and Shell Exploration a license to explore for oil and gas. The licence areas, termed the Dumbar EL concession, covers roughly round 85-90% of the Park, while some 15-20% of the concession is outside the park.

Following an outcry over the proposed exploration program the government formed a

ten-member committee to advise it on changes to the current legislation that "would facilitate conduct of seismic survey and related operations for oil and gas in protected areas including the Kirthar National Park".¹

The World Conservation Union (IUCN) has refused to participate in the committee. Nargis Alvi, head of IUCN's Karachi office said "the IUCN can not become a party to the destruction of a national park". While the IUCN has refused to participate in the committee, the World Wide Fund for Nature (WWF) remains a member of the committee.

In late July 1999 the Islamabad-based Sustainable Development Policy Institute (SDPI) organised a conference on the threat to Kirthar National Park by the oil and gas exploration proposal. Premier Shell, which was awarded the concession, the umbrella organisation of PPEPCA (Pakistan Petroleum Exploration and Production Companies Association) and Shell Exploration were invited to participate but all declined the invitation.

Senior Advocacy Officer from SDPI Nafisa Shah told the conference that SDPI tried very hard to get Premier-Shell, but they declined to attend after they were advised by the government not to participate in the seminar

Mining Monitor contacted Shell for comment but they did not respond.

¹ Ahmar Mustikhan, "IUCN: Oil Search Would Destroy Pakistan National Park", *Environment News Service*, 30 June 1999, <http://ens.lycos.com/ens/jun99/1999L-06-30-02.html>

NIGERIA

GAS FLARES FINED

The Nigerian Government has promised in the budget it delivered in June 1999 to double the penalties for the flaring of gas associated with oil production in an attempt for force an end to the practice.

For years local communities have opposed the flaring of vast quantities of gas which causes significant local pollution problems. Shell is the largest oil producer in the country. *MM* approached Shell on a number of occasions for a comment but received no response.

AUSTRALIA

ROSS CAUGHT IN SOLOMONS FIGHT

The Gold Ridge mine, owned and operated by the Brisbane-based Ross Mining has become entangled in upheavals between rival racial groups in the Solomon Islands.

Frustrated by the loss of land and economic hardships, indigenous leaders in Guadalcanal, one of the main island in the Solomon Islands, have called for the suspension of the Gold Ridge mine and the renegotiation of its lease conditions.

The Gold Ridge mine, touted as an economic panacea for the country's ailing economy, has been a major source of controversy over the last three years. The Gold Ridge mine lies in the headwaters of the catchment of the Matepono River which local people use for water and irrigation for the island's main food supply. Ross Mining's operations are now the subject of a protracted legal battle between Ross Mining and the landowners and their legal advisers, Australian-based law firm Slater and Gordon.

After three weeks of turmoil in June 1999 caused by roadblocks thrown up by the Guadalcanal Revolutionary Army (GRA), an estimated five people have been killed and 10,000 people have fled their homes. The GRA has demanded compensation for land lost to the building of the capital, Honiara, on Guadalcanal, suspension of the mine and the expulsion of people originating from Malaita.

When the GRA threw up roadblocks in other areas of Guadalcanal, one GRA group was based in the tropical forests near the mine. With much of the workforce of the Gold Ridge from the neighbouring island of Malaita, Ross Mining called in security advisers in the hope of protecting the mine and its workforce.¹ Ross Mining was keen to reassure the financial markets that its production would not be affected but conceded that "there has been some absenteeism".²

Ross Mining Managing Director, Bertus de Graaf, dismissed the call for the suspension of Gold Ridge was part of an ambit claim by indigenous leaders who were asking for major constitutional changes.³

Former Fijian Prime Minister, Sitiveni

Rambuka, who led two army coups against the election of a Labour Government in Fiji in 1987, was appointed by the London-based Commonwealth Secretariat to broker a peace deal between rival landowners.

De Graaf met with Rabuka to discuss the future of the mine. De Graaf downplayed the threat to the mine telling media that it was part of an ambit claim. "I see it more in the light that they have a fairly big ambit claim on the table, which has Gold Ridge as part of it it is not directed at Gold Ridge", he said.⁴

The peace deal brokered by Rambuka acknowledges that the traditional Guadalcanal landowners have been adversely affected and compensation for lost land is appropriate.

The agreement also says that "normal operations" of both the gold mine and the palm oil plantation should resume "as soon as possible bearing in mind the contribution of these establishments to the national economy".⁵

¹ Michael Field, "Rumour speculation and extraordinary power in Solomons", *Agence France Presse*, 20 June 1999.

² Ross Mining, "Gold Ridge production unaffected by Solomons unrest", *Media Release*, 15 June 1999.

³ "Solomons mine boss vows to continue with operation", *Postcourier*, 29 June 1999.

⁴ *Ibid.*

⁵ "Peace accord in Solomons unrest nears", *Agence France Presse*, 28 June 1999.

based on the Qinshan facility, to both Iran and Pakistan.

The \$16.18 million loan to the Chinese Nuclear Industry Corporation and the Nuclear Power Qinshan Joint Venture Corporation, provided for an expansion of the Qinshan II Nuclear Power Project has been underwritten by the Australian taxpayer. EFIC is established as a statutory corporation of the Commonwealth of Australia under the *Export Finance and Insurance Corporation Act 1991*. The Commonwealth guarantees all monies payable by EFIC.

"Nuclear abuses in China have included the dumping of waste in Tibet, illegal weapons testing and the dark spectre of nuclear proliferation. There can be no guarantees that the products of this facility will not be used to create nuclear bombs", Wright said.

The Canadian government is currently subject to a lawsuit concerning \$1.5 billion (Cdn) of public financing to the Qinshan facility. The Canadian Government is accused of failing to live up to its responsibilities under the Canadian Environmental Assessment Act. It is unclear that Australia's own loan was subject to environmental screening.

The CANDU type reactors, due to be incorporated at the Qinshan facility, have a very poor safety record with over 900 incidents reported in Canada from 1989 to 1993. These events included failure of operating or safety systems, breaches of security, radiation releases in excess of allowable limits, and exposure of workers to excessive radiation.

"It is absolutely essential that all support given by EFIC to companies and agencies overseas is subject to the highest scrutiny. EFIC operates behind a veil of secrecy that has allowed it to financially support such environmental and humanitarian disasters as Bougainville, Ok Tedi and now a nuclear reactor in China", she said.

¹ Mineral Policy Institute, "Chinese nuclear loan underwritten by Australian taxpayer", *Media Release* 12 June 1999.

EFIC FUNDS CHINESE NUKE



One more nuke. Photo: IAEA

In June 1999, former MPI researcher, Sarah Wright, revealed that an Australian government authority, the Export Finance and Insurance Corporation (EFIC), has provided a loan to a Chinese nuclear reactor to expand nuclear facilities in China.¹

China, together with France, has defied a world-wide effort to ban nuclear weapons tests and has a very poor reputation for nuclear proliferation, having sold nuclear technologies,





Something to say?

If you have a view why not write a letter to the editor (100-200 words) and send to:

- bburton@hydra.org.au; or
- PO Box 157 O'Connor, ACT, 2602, Australia).

RESOURCES

AVAILABLE FROM MPI

Mineral Policy Institute, *The Ramu nickel-cobalt mine: briefing paper for financiers*, MPI, July 1999. 5pp. Available from MPI PO Box 21 Bondi Junction NSW 2022, \$5.

This is a brief summary of the environmental and social issues surrounding the Ramu project in Papua New Guinea being proposed by Highlands Pacific Limited.



or from Project Underground, 1847 Berkeley Way, Berkeley, CA 94703 USA. \$8 including postage.

This is an excellent booklet setting out the background to the push by Occidental Petroleum to exploit oil deposits in the tribal lands of the U'wa people in Colombia. Caught between an oil company, left wing guerillas and right wing paramilitary squads, the U'wa continue to struggle against the alienation of their lands.

CARTOONS

Scratch: labour movement cartoons.

The cartoons used in *Mining Monitor* are by David Pope (aka Hinze). These cartoons are available at low cost (\$A30) for community groups.

A gallery of many of David's cartoons is available for review on the Web at <http://www.scratch.com.au> or hard copy via PO Box 597, Dickson, ACT 2602, Australia.

AVAILABLE FROM OTHERS



Paul Kauffman, *Wik, Mining and Aborigines*, Allen and Unwin, 1998, 210 pp, \$24.95.

This book is a basic but useful brief review of 29 agreements between mining companies and Aboriginal communities around Australia. It has a brief review of State and Federal legislation governing Aboriginal land agreements.

Kauffman provides some basic information for each of the case studies on the provisions of the agreements covering employment, royalties, environmental concerns and economic diversification strategies used by Aboriginal groups. The author attempts to develop a best practice model for mining industry and Aboriginal agreements and identify examples around the country.

If the title led you to expect that the book included details of the long and ongoing campaign by the mining industry, and many of the companies referred to in the case studies against Aboriginal rights, you will have to look elsewhere.



Project Underground, *Blood of our mother: the U'wa people, Occidental Petroleum and the Colombian oil industry*, Project Underground, July 1998. Sections of the report are available at <http://www.moles.org>

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NUGGETS

COME AGAIN

"Leaving our environment the same way we found it. BHP."

Slogan proudly proclaiming BHP's credentials on its abandoned Island copper mine in British Columbia, Canada.

(BHP advertisement, Engineering and Mining Journal, February 1997.)



WHAT DOES IT TAKE?

"Well that's a good question."

Manager of Ok Tedi Mining Limited, Vincent Bull, after being asked what he would do differently if he was starting the Ok Tedi mine from scratch.

(Interview with Bob Burton, 12 August 1999.)

FEELING REASSURED?

"The company is watching over your water, forests and wildlife. No harm will come to you from the mine wastes released into the river."

Ok Tedi Mining Limited poster distributed to reassure villagers in the Ok Tedi area.

(BHP poster circa 1990. Translation from Pidgin by Stuart Kirsch.)

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