

# Establishing the Bougainville Mining Workers' Union, 1969–1976

MICHAEL HESS, EWAN MAIDMENT AND KEIMELO GIMA

## ABSTRACT

Bougainville Copper Limited's Panguna mine was a huge and complex undertaking that, despite its potential for creating social disruption, operated successfully for two decades before the outbreak of armed conflict in 1988. One source of conflict, common in mining but neglected in previous research on Bougainville, is labour relations and, in particular, how a local workforce was integrated into a system of negotiation that facilitated the operation of the mine by limiting the level and intensity of workplace conflict. Between 1969 and 1988, the Bougainville Mining Workers' Union (BMWU) played a key role in this structure of accommodation of conflicting interests. This paper uncovers the history of how the BMWU developed the capacity to represent its members' interests successfully and play a positive role in conflict resolution.

Key words: Bougainville, mining, industrial conflict, unions, negotiation, civil conflict

When construction of the Panguna mine and its associated facilities began in 1969, the Territory of Papua New Guinea (TPNG) was a colonial dependency with few of the preconditions for successful unionism. Elsewhere we have described the creation of the first collective agreement governing the expatriate construction workforce and have noted the difficulties of sourcing information about such events.<sup>1</sup> While

**Michael Hess** – School of Business, University of New South Wales–Canberra. [m.hess@adfa.edu.au](mailto:m.hess@adfa.edu.au)

**Ewan Maidment** – School of Culture, History and Language, College of Asia and the Pacific, Australian National University. [ewan.maidment@anu.edu.au](mailto:ewan.maidment@anu.edu.au)

**Keimelo Gima** – Division of History, Gender Studies and Philosophy, School of Humanities and Social Sciences, University of Papua New Guinea. [gimakei@upng.ac.pg](mailto:gimakei@upng.ac.pg)

<sup>1</sup> Michael Hess and Ewan Maidment, 'Industrial conflict in paradise: making the Bougainville copper project construction agreement 1970', *Economic and Labour Relations Review*, 25:2 (2014), 271–89. Since the records of the BMWU are not known to have survived and the archives of the PNG Bureau of Industrial Organisations are lost, this history of the development of the mine workers' industrial organisation in Bougainville has relied on two major sources: the archives of the Australian Council of Trade Unions (ACTU), in particular the ACTU secretary's and industrial

this agreement created a negotiation structure in which the company, the colonial administration and the Australian unions played roles, it did little for the PNG workforce, who were employed under provisions that owed much to colonial attitudes. They were paid less than ten per cent of the wage of the Australian employees, were provided with substantially poorer living conditions and had no effective union representation. With the end of the construction phase, the workforce was rapidly localised, yet these PNG workers had few of the rights and protections normally associated with employment in a free labour market. In particular, with no formal way to express grievances, every chance existed that these workers would become frustrated and turn to violent action.

Within a few years, the Bougainville Mining Workers' Union (BMWU) was to achieve genuine success in representing its members' interests and became a key player in a system of negotiation that enabled conflict to be resolved without resort to the violence that engulfed Bougainville after 1988. The narrative of how that happened has elements of nationalist, and separatist, aspirations, but it is also a more mundane story of how a group of leaders emerged from the workforce with the capacity to use new labour regulations to make significant improvements to their members' terms and conditions of employment.

Neither labour regulation nor worker resistance were entirely new to TPNG. A considerable research literature describes the highly paternalistic colonial system, under which workers' most frequent form of protest was running away or refusing to re-indenture.<sup>2</sup> By the late 1950s, an unregulated urban labour market had developed, and thoughtful commentators were calling for action to provide

officer's files on Bougainville, held at the Noel Butlin Archives Centre in the Australian National University (ANU) Archives; and surviving archives of Bougainville Copper Ltd (BCL), which were returned to the company by the University of Melbourne Archives in 2012 for digitisation. Supplementary documentation has been accessed in the industrial registrar's file on the BMWU held by the PNG Department of Labour, in the Australian Department of External Territories correspondence files held in the National Archives of Australia in Canberra, and in Professor Donald Denoon's research papers held in the ANU Archives. Files of PNG press cuttings collated by Gillian Evans of the Department of Political Science in the ANU Research School of Social Sciences and now held at the ANU Archives have been very useful. The authors are grateful to BCL and the PNG Department of Labour for permission to have access to their archives and especially to Gwen Sams for her assistance in locating BCL records relevant to our research.

<sup>2</sup> Peter Fitzpatrick, "‘Really rather like slavery’: law and labour in the colonial economy of Papua New Guinea", in E.L. Wheelwright and Ken Buckley (eds), *Essays in the Political Economy of Australian Capitalism*, 5 vols (Sydney 1978), III, 102–18; Bill Gammage, 'The Rabaul strike, 1929', *Journal of Pacific History*, 10:3–4 (1975), 3–29; Charles F. Jackson, *Native Labour Law and Practice in Papua* (Sydney 1924); Hubert Murray, *The Scientific Method Applied to Labour Problems in Papua* (Port Moresby 1931), 9; C.D. Rowley, 'The social background to industrial relations in Papua New Guinea', paper presented at the Seminar on Industrial Relations in a Developing Economy, University of Papua New Guinea, 25 Oct. 1968, 11; Ian Willis, 'Rabaul's 1929 Strike', *New Guinea and Australia, the Pacific and South-east Asia*, 5:3 (1970), 6–24; Michael W. Young, 'The best workmen in Papua: Goodenough Islanders and the labour trade, 1900–1960', *Journal of Pacific History*, 18:2 (1983), 74.

modern forms of regulation and protection.<sup>3</sup> A number of ethnic and church-based 'welfare associations' developed in the late 1950s to fill this vacuum.<sup>4</sup> In the early 1960s, the Australian minister for territories, Paul Hasluck, set about 'reformulating' labour policy to make it more appropriate to contemporary needs.<sup>5</sup> Hasluck was a political moderate in the context of a long-standing and deeply anti-union conservative commonwealth government, which saw colonial rule as likely to continue for decades at the very least.<sup>6</sup> Nonetheless, Hasluck argued for granting 'native labour' limited rights under legislation, in part to divert the wrath of the United Nations Special Committee on Decolonization, and to stem the tide of nationalism and communism seen by conservative Australia as sweeping out of Southeast Asia.<sup>7</sup>

Hasluck's 1962 Industrial Relations and Industrial Organisations Ordinances, copied directly from Australian provisions, gave unions in TPNG a legitimate role in a system of regulation.<sup>8</sup> Registered unions gained some immunity from prosecution under common law contract of employment principles.<sup>9</sup> This was an opportunity for TPNG's aspiring politicians to represent their people in a legally sanctioned system of advocacy. As Leo Hannett, one of PNG and Bougainville's most articulate nationalists put it, quoting Sartre, 'What would you expect to find when the muzzle that has silenced the black man is removed?'<sup>10</sup> The list of the first union leaders is a 'who's who' of early-career politicians who were to play leading roles in PNG's national parliaments.<sup>11</sup> Viewed from the standpoint of the

<sup>3</sup> C.D. Rowley, 'Labour administration in Papua and New Guinea', *South Pacific*, 9:11 (1958), 524.

<sup>4</sup> P.A. Metcalfe, 'Port Moresby's Papuan workers and their association', MA thesis, University of Auckland (Auckland 1968), 115–19.

<sup>5</sup> Paul Hasluck, *A Time for Building: Australian administration in Papua and New Guinea, 1951–1963* (Melbourne 1976), 231–32.

<sup>6</sup> James Griffin, Hank Nelson and Stewart Firth, *Papua New Guinea: a political history* (Richmond 1979), 138.

<sup>7</sup> Minister for territories, confidential memorandum to cabinet, 10 Aug. 1960, Canberra, National Archives of Australia, Department of External Territories (hereinafter DET), A452 1970/790.

<sup>8</sup> J.E. Lemaire, *Labour Law in Papua New Guinea: industrial organisations, their representatives and the law* (Mosman, NSW 1982).

<sup>9</sup> N. Seddon, 'Legal problems facing trade unions in Papua New Guinea', *Melanesian Law Journal*, 3:1 (1975), 103–18.

<sup>10</sup> Jean-Paul Sartre, *Black Orpheus* (1964), quoted in Leo Hannett, 'The Church and nationalism', in Marion W. Ward (ed.), *The Politics of Melanesia* (Port Moresby 1970), 654.

<sup>11</sup> A.M. Kiki, 'Development of trade unions in the territory', in Ward, *The Politics of Melanesia* (Canberra 1970), 615–20; Michael Hess, 'Developing credible unionism in the Territory of Papua New Guinea', *Journal of Pacific History*, 22:2 (1987), 82–93. For example, ten union officials were elected to the House of Assembly in 1972: Paulus Arek (president, Northern District Workers' Association), John Fifita (Misima branch president, Milne Bay District Workers' Association), Dr John Guise (president, Milne Bay District Workers' Association), Tony Ila (Morobe District Workers' Association), Tom Koraea (president, Gulf District Workers' Association), Albert Maori Kiki (president, Port Moresby Miscellaneous Workers' Union, and secretary, Central District Building and Construction Workers' Union), Naipuri Maina (senior vice-president, Western District Workers' Association),

workers, the advent of unionism in TPNG provided a stark contrast, in which the bosses were white, the administration officials were white, but the union officials were not white. The union officials were local leaders to whom the regulatory framework accorded a status and role in the colonial order, which few other Papua New Guineans had been able to achieve. It is evident in research findings on the first unions in TPNG that both managers and the union leaders saw the advent of unionism as a game changer in the colonial polity.<sup>12</sup>

## UNIONISM COMES TO BOUGAINVILLE

Several local historical factors may have contributed to a favourable climate for the development of unionism on Bougainville. The relatively long development of plantation production in Bougainville resulted in a deeper local experience of wage labour than had occurred in most areas in TPNG. Consequently Bougainvilleans were seen by contemporary commentators as 'more capable than most' of operating in a non-traditional environment.<sup>13</sup> Perhaps more significant was the Bougainvillean tradition of fierce local autonomy and struggles against land alienation, which had created a history of militant action in defence of local rights before the mine was constructed.<sup>14</sup>

Our detailed account of the negotiation of the Bougainville Copper Project (Expatriate Construction Workers) Award (1970) reveals the use of a full range of industrial relations activities from strikes and demonstrations, through work-site union organisation, to an independent tribunal hearing and the negotiation of the agreement.<sup>15</sup> By the time the Expatriate Construction Workers agreement was reached in June 1970, more than half the workforce were Papua New Guineans to whom it had no application. What it did provide was an outstanding example of what union action could achieve for workers. The agreement closely followed terms and conditions then prevailing in Australian mining construction. It recognised a broad role for union delegates in representing members in all work- and living-related issues relevant to expatriate workers on Bougainville and included payment

Ebia Olewale (president, Western District Workers' Association), Michael Pondros (Pokayou) (president, Manus District Workers' Association), Gavera Rea (secretary, Central District Waterside Workers' Association and Port Moresby Miscellaneous Workers' Union). See *Workers News*, 1:3 (Apr. 1972), Canberra, Australian National University, Noel Butlin Archives (hereinafter NBA), ACTU, N68/1126.

<sup>12</sup> Metcalfe, 'Port Moresby's Papuan workers'; Michael Stevenson, 'A trade union in New Guinea', *Oceania*, 39:2 (1968), 100–36; Michael Hess, 'A union in Papua: the rise and fall of the Milne Bay District Workers' Association', *Australian Historical Studies*, 24:94 (1990), 83–103.

<sup>13</sup> Hank Nelson, 'Bougainville breakaway', *Nation*, 12 Oct. 1968, 9–11.

<sup>14</sup> Douglas Oliver, *Black Islanders: a personal perspective of Bougainville, 1937–1991* (Honolulu 1991); Donald Denoon, *Getting under the Skin: the Bougainville copper agreement and the creation of the Panguna mine* (Melbourne 2000); Anthony J. Regan and Helga M. Griffin (eds), *Bougainville before the Conflict* (Canberra 2005).

<sup>15</sup> Hess and Maidment, 'Industrial conflict in paradise', 171–89.

for delegates while on union business, provision by the company of office facilities and transport for delegates on union business, a company-enforced closed shop and monthly meetings between delegates and company representatives. In the meantime, many Papua New Guinean employees of Bougainville Copper Pty Ltd (BCP)<sup>16</sup> were earning \$15 a week rather than the \$200 minimum guaranteed to expatriates in their agreement.

In October 1969, during the negotiations with the construction workers, the TPNG Department of Labour had received an application to register the BMWU. The administrative difficulties such an application posed were evident when the departmental secretary, Doug Parrish, deferred a decision pointing out that the union needed to clearly define its area of coverage and provide a constitution compliant with the Industrial Organisations Ordinance.<sup>17</sup> While the executives of the BMWU whose names appear on the application for registration were PNG employees, it appears likely that both BCL and officers of the Department of Labour played large parts in the process.

This was certainly the view in a *Post-Courier* report the following month, which stated that 'the union is believed to have grown out of a grievance committee ... established jointly by the Department of Labour and the mining company'. The *Post-Courier* report inferred that the committee had existed from the first days of the project and had been 'reactivated about twelve months ago'.<sup>18</sup> This would be consistent with long-term BCL manager Paul Quodling's later assertion that the company had already concluded that 'a responsible union to represent the National workforce was a prerequisite to industrial stability in the longer term' and that, as a result, the company, 'with the Department of Labour, sponsored the formation' of the union.<sup>19</sup> A BCP executive committee meeting in February 1970 discussed the new union's prospects, noting that the union would approach the Department of Labour to send 'officers to further assist with the establishment of the union'. An indication of the tension between sectional Bougainvillean aspirations and the more moderate desire for a broadly representative union was implicit in the warning that BCP received from the Bougainville nationalist group, Napidakoe Navitu, that 'should the union become a weak representation of personnel on site, this Association will seek to take it over'.<sup>20</sup>

<sup>16</sup> Bougainville Copper Limited (BCL) was formed on 26 Oct. 1973 by a merger of Bougainville Mining Limited, incorporated in the Australian Capital Territory, and its only subsidiary, Bougainville Copper Pty Ltd (BCP), incorporated in PNG. For the sake of consistency, this paper refers to the company as BCP up to October 1973 and BCL after that date.

<sup>17</sup> Doug Parrish, Labour and the Bougainville Copper Project, 17 Oct. 1969, DET, A452 1970/790; Doug Parrish, Labour and the Bougainville Copper Project, 17 Oct. 1969, Port Moresby, PNG Department of Labour (hereinafter PNGDL), Industrial Organisations file, BMWU, 0.65.

<sup>18</sup> J. Hall, 'Registration move. Mine workers to form union on Bougainville', *Post-Courier*, 4 Nov. 1969, DET, A452 1970/790.

<sup>19</sup> Paul Quodling, History of industrial relations – Bougainville Copper Limited, TS, c. 1987, Melbourne, Bougainville Copper Limited archives (hereinafter BCL), 2.

<sup>20</sup> BCP, Industrial report, in agenda papers for executive committee meeting, 6 Feb. 1970, BCL.

With coverage issues clarified and after a further period to allow for possible objections, the BMWU was registered on 12 December 1969.<sup>21</sup> In February 1970, it had 51 members. Its volunteer executive reflected the diversity of the BCP's Indigenous workforce: Wari Auboti from Samarai, president; Yaking Tengeng from Lae, vice-president; and Peter Lihai from Buin in south Bougainville, secretary.<sup>22</sup> All these officials were listed by the *Post-Courier* as involved in the previous grievance committee. By the end of the year, the BMWU had a membership of 171, which grew to 228 in 1971.<sup>23</sup>

While the BMWU was not directly involved in the dispute between construction contractors and the Australian workforce that developed during the first half of 1970,<sup>24</sup> it was reported that the PNG workforce was increasingly frustrated at being unable to work when the Australians were on strike.<sup>25</sup> Australian union officials also frequently made reference to the unaddressed needs of PNG employees. In March 1970, one of the first formal conferences between the unions' negotiating committee and BCP heard ACTU 'President Hawke state ... that the indigenous labour rates were a concern of the ACTU'.<sup>26</sup>

The following month Jack Egerton, president of the Queensland Trades and Labour Council (QTLIC), told his affiliated unions that a weakness in the bargaining position was that 'no proposals have come to light which guarantee improved conditions for indigenous workers'.<sup>27</sup> At the same time, the ACTU's industrial officer, Len Schurr, visiting Bougainville with senior officials of eight Australian unions, was reporting to Hawke on how the BMWU was developing. He noted that the union now had 'about 150' members and had been receiving assistance from both the BCP and the Department of Labour. Despite this, he reported to the ACTU president that its officials had 'no idea about running a Union and would welcome any assistance in this regard'.<sup>28</sup>

Although the union was unorganised, the mere fact of its existence gave it legal status and made it possible to create an industrial award to regulate terms and conditions of employment under the Industrial Relations Ordinance. Its membership coverage, limited to employees in the mining industry, meant, however, that any award to which it was party would only apply to mining operations, not to

<sup>21</sup> Industrial registrar to Warry Auboti, BMWU secretary, 12 Dec. 1969, PNGDL, Industrial Organisations file, BMWU, O.65.

<sup>22</sup> Jack Egerton, Report Bougainville dispute, 19 Feb. 1970, NBA, ACTU, N21/1020, 9.

<sup>23</sup> J. Paska, 'Trade unions in Papua New Guinea: historical and legal development', paper presented at the PNGTUC/Histadrut/AAFLI seminar, Port Moresby, 15–25 Aug. 1988.

<sup>24</sup> Hess and Maidment, 'Industrial conflict in paradise', 281–84.

<sup>25</sup> 'Bougainville trouble', *Post-Courier*, 21 Apr. 1970.

<sup>26</sup> Conference between unions' negotiating committee and BCPL representatives, Melbourne, 16 Mar. 1970, NBA, ACTU, N21/1020.

<sup>27</sup> Jack Egerton, Queensland Trades and Labor Council circular 101/70 to all unions, 3 Apr. 1970, NBA, ACTU, N21/1019.

<sup>28</sup> Len Schurr, report, 1 Apr. 1970; memo to ACTU president Hawke, mid-April 1970, NBA, ACTU, N21/1020.



construction or other associated activities. So in order to achieve regulation throughout the project, another union, the Bougainville Construction and General Workers Union (BC&GWU), was also registered. In mid-1970, the Bougainville Mining Workers' (Local Employees) Award and the Bougainville Copper Project (Indigenous Construction Workers) Award were created by agreement among the respective unions and the company.<sup>29</sup> These awards were 'paid rates' agreements, which regularised existing conditions across the workforce but represented little improvement for many workers. The unions' role in negotiating them appears to have been quite passive. Both the awards and the unions could be regarded, at this point, as creatures of the administration and the company.

While the BMWU at least managed to hold periodic meetings, the construction union seems to have had a tenuous existence beyond the award creation process. During his second visit to Bougainville in June 1971, Len Schurr met the BMWU president, Yacking Tensing, and secretary, Warri Abouti, and also spoke to Jerry Turua, BC&GWU vice-president. Albert Kasohuson, BC&GWU president, was not available, and Joe Kenop, BC&GWU secretary, had been dismissed from the site for car stealing. Both unions were 'having trouble enrolling members and conducting their affairs' and sought Schurr's advice on training opportunities in Australia. Jerry Turua, Schurr reported, was 'a very able man'; two pay-back killings had occurred on the site, and Turua was able 'to stop further bloodshed by cutting off the little finger of his left hand, and offering it to the two warring parties as a settlement'.<sup>30</sup>

In contrast, the expatriate workforce was pursuing a full range of industrial action to maintain terms and conditions of employment commensurate with Australian practice. At this time the total workforce in mine-related activities was 7,394, consisting of 4,449 indigenes and 2,945 expatriate employees. The really telling figure, in terms of industrial relations, was that BCP employed only 717, while 1,115 were employed by the leading construction contractor, Bechtel-WKE, and 5,562 worked for the smaller contractors.<sup>31</sup> By the end of 1970, the Australian workers were entirely unionised.<sup>32</sup> Australian Council of Trade Unions documents demonstrate that a strong and constant union presence was maintained over the following two years, as construction was completed and employment reached a peak of around 10,000, the majority of whom (6,000) were Papua New Guinean. The industrial situation of expatriate workers was characterised by the presence of full-time officials, a delegate structure, routine meetings of members and regular visits by senior Australian unionists.<sup>33</sup>

<sup>29</sup> Commonwealth of Australia, *Papua New Guinea Report for 1970–1971* (Canberra 1972), 136; Agreement BCP and Bougainville Construction and General Workers' Union, 24 July 1970, NBA, ACTU, N68/1124; Agreement BCP and Bougainville Mining Workers' Union, 24 July 1970, NBA, ACTU, N68/1124.

<sup>30</sup> Len Schurr, Report on Bougainville visit 2nd to 10th June, 1971, NBA, ACTU, N21/1021.

<sup>31</sup> Figures for 31 Oct. 1970, given in Industrial report, in agenda papers for the BCP board of directors meeting, 14 Dec. 1970, BCL.

<sup>32</sup> Len Shurr to A. McVeigh, federal secretary, Liquor Trades Union, 2 Dec. 1970, NBA, ACTU, N68/1124.

<sup>33</sup> Shurr, Report on Bougainville visit 2nd to 10th June, 1971, NBA, ACTU, N21/1021.

## THE BMWU GETS ACTIVE

Papua New Guinea workers had no such representation, although a significant step in developing a national industrial relations structure was taken in 1971 with the establishment of the Bureau of Industrial Organisations (BIO), 'to encourage and assist the formation and development of industrial organisations'.<sup>34</sup> The BIO was a statutory body operating under a tripartite board of management appointed by the minister for labour under TPNG's embryonic self-governing administration. Its key functions were 'assisting union formation and educating union officials in the mechanics of the industrial relations system'.<sup>35</sup>

While the establishment of the BIO did not immediately improve the situation of PNG employees on Bougainville, 1972 did mark an increase in activity by the BMWU, especially as a key party to the process of the renegotiation of the award. By April 1972, as the construction phase wound up and the mine moved into production, the BCP workforce increased to about 3,000 workers, of whom 700 were BMWU members. The union executive expected that more than half the workforce would become members.<sup>36</sup> The company's approach to the award negotiations was divergent: split between encouraging unionisation of its workforce and maintaining the racial wage differential legacy of colonialism.

Some encouragement came from the top with Ray Balmer, BCP managing director and general manager, helping the ACTU bring BMWU executives to Sydney for meetings with Australian union officials to discuss revision of the award.<sup>37</sup> The company also appointed a new industrial relations manager at Panguna, Kevin Miller, who was to play an important role in assisting the ACTU to support the Bougainville unions. Negotiations for the new award, signed by Miller and Fabian Kaona, BMWU president, were concluded in August, giving PNG employees a substantial overall wage rise of seven per cent.<sup>38</sup>

Yet the maintenance of a racial differential in wages was still at the heart of company policy. This was demonstrated when locally employed Australians were extended the massive supplements and allowances formally reserved for offshore employees. Rather than seek to equalise pay on the basis of job classifications, BCP's new policy reinforced wage racism under the principle of 'relating Australians to Australian conditions, and locals to local conditions'.<sup>39</sup> This realignment of base pay rates further disadvantaged PNG employees, who lacked the experience or

<sup>34</sup> Bureau of Industrial Organisations Act 1971 (Territory of Papua and New Guinea), S.7.i.

<sup>35</sup> Michael Hess, *Unions under Economic Development: private sector unions in Papua New Guinea* (Melbourne 1992), 75.

<sup>36</sup> *Workers News*, 1:3 (Apr. 1972), NBA, ACTU, N68/1126.

<sup>37</sup> H. Souter, ACTU secretary, to R.W. Ballmer, BCP managing director and general manager, 6 July 1972 and 25 July 1972; Ballmer to Souter, 13 July 1972, NBA, ACTU, N68/185.

<sup>38</sup> Bougainville Mining Workers' (Local Employees) Award, 1972, NBA, ACTU, N68/185.

<sup>39</sup> Alexander Mamak and Richard Bedford, 'Inequality in the Bougainville copper mining industry: some implications', in F.S. Stevens and E.P. Wolfers (eds), *Racism: the Australian experience: a study of race prejudice in Australia*, vol. 3: *Colonialism and After* (2nd edn, Sydney 1977), 429.



organisational strength to negotiate as persuasively as their Australian fellow employees. Nonetheless the BMWU's second award represented a considerable step forward in the union's capacity to represent its members and achieve significant industrial gains.

Furthermore the BIO was beginning to have an impact in support of the Bougainville unions. Its industrial organisations officer, Francis Irere, ran a training course for the newly elected BMWU executive committee members in April 1972. Irere returned to Bougainville in December to organise a meeting to re-establish the lapsed construction and general workers' union, succeeding in attracting 151 members and electing a nine-member executive.<sup>40</sup>

Current and future BMWU officials were also playing significant roles in nationalist and separatist discussions about the future of the mine. In October 1972, a mass meeting at Panguna of 470 members of the BMWU strenuously opposed nationalisation of the mine, which had been proposed by Paul Lapun and John Momis, representatives of Bougainville in the House of Assembly. The debate was led by BMWU workplace delegate Henry Lote, who had already put his view, that nationalisation would cause harm to BCP and to the PNG economy, to a meeting of district leaders. In the minutes of this meeting, Henry Moses, a BCP industrial officer, speaking on behalf of the district leaders of Panguana, is described as an 'advisor' to the union. He was to become the BMWU's most significant leader. The meeting resolved to approach Paul Lapun and John Momis to inform them that 'the majority do not feel happy about nationalising the mines in PNG'.<sup>41</sup>

Issues of nationalisation and secession were also pursued by Moses at the Bougainville Combined Councils Conference at Wakunai in February 1973. The BCP representative at that conference, Ken McKenzie, reported that all the Bougainvillean delegates attended a meeting of the Mungkas Association (a separatist group first organised by students from Bougainville) held on the evening of the first day of the conference. This meeting was 'dominated by Leo Hannett and Henry Moses' and 'was designed to produce a united front when secession issues arose the next day'. Henry Moses's proposal that a committee of six or eight be formed to guide Bougainville towards secession was endorsed by the conference the following day.<sup>42</sup> At the time, it was seen as a moderate idea, allowing time for discussion and compromise rather than rushing to immediate action as some were demanding. In a confidential report to the company, MacKenzie commented that the

Mungas Association has developed into a pan Bougainvillean movement, concerning itself with the future of Bougainville in general and secession in particular. I gained the impression that Napidakoe Navitu has been thrust into the background in favour of the

<sup>40</sup> 'Union starts again in Bougainville', *Workers News*, 1:2 (Dec. 1972), NBA, ACTU, N68/524.

<sup>41</sup> Minutes of the mass meeting organized by the Bougainville Miners Workers Union (B.M.W.U.) held at the Panguna Cinema on the 25th October 1972, NBA, ACTU, N68/1126.

<sup>42</sup> K.S. McKenzie, Confidential report on combined local government council conference – Wakunai, 22nd–23rd February 1973, 26 Feb. 1973, Canberra, ANU Archives, Donald Denoon, Pacific research papers, 411/box 2, 8, 12.

Mungkas Association, which is, of course, much more all embracingly Bougainvillean.<sup>43</sup>

Bougainvillean antagonism to 'foreign' workers and squatters reached crisis levels after the pay-back killings of two Bougainvillean officials in Goroka in December 1972. Some concern existed among labour administration officials that BMWU links to the Mungkas Association were a divisive factor within the workforce and might lead to industrial action in favour of broader political aims. In response, the BIO ran another regional union training program at Panguna in early 1973, providing a forum in which 'workers from different districts could get together ... and talk about their problems'.<sup>44</sup>

Another significant factor shaping the effectiveness of the BMWU was the increasingly active role being played by Kevin Miller as a contact point for the ACTU. It was through Miller that ACTU secretary Harold Souter organised meetings with BCP executives in Melbourne and arranged for BMWU officials to attend a trade union training course in Sydney.<sup>45</sup>

The latter was the New South Wales (NSW) Labor Council's first job representatives course, held with some fanfare at Sydney University in May 1973. It was organised by Bob Carr, then Labor Council education and publicity officer and later premier of NSW. Fabian Kaona (BMWU president), Julius Nakonang (BMWU executive committee member) and Leopold Kaembo (president of the BC&GWU) attended.<sup>46</sup> Kaona reported that the 'the Labor Council of NSW said that they would like more PNG union leaders to come to courses like this one'.<sup>47</sup> During the course, Kaona raised issues of poor living conditions for his members and lack of an appeals mechanism against dismissals. In July 1973, Kaona wrote to Souter, pointing out that the BMWU's request for the creation of a board of reference to hear complaints about dismissals and housing had not been taken seriously by BCL.<sup>48</sup> These matters were followed up by the ACTU secretary in a lengthy correspondence with BCL managing director and general manager Ray Ballmer. Souter addressed BMWU claims for improved accommodation for married employees and for a married allowance, and pressed the union's case for the creation of a board of

<sup>43</sup> Ibid., 8.

<sup>44</sup> 'Regional training course at Panguna', *Workers News*, 2:2 (Feb. 1973), NBA, ACTU, N68/524.

<sup>45</sup> K.F. Miller to H. Souter, 14 Feb. 1973; Souter to Miller, 20 Feb. 1973, NBA, ACTU, N68/185.

<sup>46</sup> R.J. (Bob) Carr to H. Souter, 7 Feb. 1973; L. Schurr (ACTU industrial officer) to Souter, 23 May 1973, NBA, ACTU, N68/185.

<sup>47</sup> 'Report of trip to Australia', *Workers News*, 2:6 (June 1973), NBA, ACTU, N68/524. Bob Carr made two subsequent trips to PNG, organising an Asian Trade Union College course on trade union theory and practice in June 1974 and a national training course in Lae in July 1974. The latter was attended by Henry Lote, then BMWU president, who also spent three months at the International Training Institute in Sydney. *Workers News*, 3:9 (9 Sep. 1974), NBA, ACTU, N68/1126. Bob Carr's PNG expenses were met by the Office of Australian Development Assistance Agency (ADAA). R.P. Throssell, assistant director-general, ADAA, 6 Dec. 1974, NBA, ACTU, N68/524.

<sup>48</sup> Fabian Kaona to Harold Souter, 9 July 1973, NBA, ACTU, N68/185.

reference to deal with disputes relating to dismissals.<sup>49</sup> The BMWU claims marked a growing sophistication in its operation, and while they failed to get the board of reference hearing, the BMWU was able to negotiate some improvements in married quarters housing directly with BCL.<sup>50</sup> The final resolution, however, required more pressure from the ACTU.<sup>51</sup>

When N.E. Carr, a former ACTU representative at Panguna, returned to Panguna in mid-1973 after an absence of six months, he reported 'a complete turn-around in indigenous participation' in union work at BCL. He noted that the BMWU was 'going strong' and that the general feeling of the expatriate employees was that the company had lost touch with its Indigenous employees,<sup>52</sup> whose dissatisfaction may have been mirrored in the increase in BMWU membership, which was now reported to stand at 800.<sup>53</sup>

The BMWU's 1974 annual general meeting (AGM) provided a neat snapshot of the progress the union had made.<sup>54</sup> Fabian Kaona, whose leadership had seen the start of increased union effectiveness, was about to resign to take up a position with BCL as an industrial officer. That this was not regarded as inappropriate is demonstrated by the fact that he continued to lead negotiations for the union. His annual report revealed a moderate approach, which had made small but significant gains in ten major disputes and resolved 200 minor problems in the previous year. He stressed that, to be successful, the BMWU would need leaders who were prepared to represent all groups within the workforce rather than just their clan or language group, and he concluded with a plea for care in selecting his successor because

nothing could be achieved if the front runners of the Union do not make the correct decisions ... Radical leaders would only hasten more disputes and cause dissatisfaction between the company and the Union ... [while] working side by side with the company would bring good harmony and assist both parties in appreciating problems arising thus they could solve them more rapidly.<sup>55</sup>

Kaona's address focused on the need for a cohesive union membership and industrial harmony, based on industrial strategies adopted from expatriate Australian unionists at Panguna, the ACTU, the Labor Council of NSW, the BIO and the company itself. Three candidates were nominated for the position of BMWU president. Henry Lote,

<sup>49</sup> H. Souter to R.W. Ballmer, 1 June 1973; Ballmer to Souter, 19 June 1973; Souter to Ballmer, 22 June 1973, NBA, ACTU, N68/185.

<sup>50</sup> D.C. Vernon to R.W. Ballmer re Bougainville industrial relations, 17 Aug. 1973, NBA, ACTU, N68/185.

<sup>51</sup> H. Souter to R.W. Ballmer, 23 Aug. 1973, NBA, ACTU, N68/185.

<sup>52</sup> N. Carr to H. Souter, 21 Sep. 1973, NBA, ACTU, N68/185.

<sup>53</sup> Charles Lepani, cited in Kenneth Good and Peter Fitzpatrick, 'The formation of the working class', in Azeem Amarshi, Kenneth Good and Rex Mortimer (eds), *Development and Dependency: the political economy of Papua New Guinea* (Melbourne 1979), 136–37.

<sup>54</sup> BMWU, Minutes of the annual general meeting held 27 Mar. 1974, NBA, ACTU, N68/1127.

<sup>55</sup> Ibid.

a driver from East New Britain, who had been a shop steward, was elected. The runner-up was former construction union president, Leo Kaembo, who was now employed as a storeman; he automatically became senior vice-president. Of the eight committee members, four were from Bougainville, two from East New Britain and two from other TPNG districts. That the changes were not acrimonious is indicated by the fact that the new office bearers moved that Kaona continue to lead the union's award negotiations, and he was happy to accept this role.

Paul Quodling was BCL's executive manager of personnel at the time. Looking back, he saw 1974 as a turning point in which 'changes to union leadership, which had previously been provided by senior national staff personnel', were associated with 'an escalation of strike action company-wide as a means of solving disputes'.<sup>56</sup> Certainly strikes became a regular feature of industrial relations at Panguna in this period, with work hours lost rising rapidly from 230 in 1972 to 500 in 1973 and to 60,628 in 1974.<sup>57</sup>

The background to the increase in conflict was the renegotiation of the award due to expire in mid-1974. In March, the BMWU had lodged a log of claims for a new agreement,<sup>58</sup> which had been developed by Kaona in consultation with ACTU officers.<sup>59</sup> In June, negotiations broke down, and 2,400 mine workers staged a two-day strike.<sup>60</sup> A contemporary management account shows some surprise but does not indicate that management felt a loss of control or any real threat to production:

During the month a work stoppage, led by BMWU, involving indigenous wages personnel on site, resulted in 25,136 man hours lost but no production was lost. Its purpose was an attempt to force the Company into meeting the Union's demands in their log of claims for a new Award, then under negotiation. This was the first strike to affect the whole project since operations commenced. However employees returned to work on pre-strike conditions.<sup>61</sup>

Paul Quodling's later account was more reflective. He noted that this was 'the first time that strike action on a company-wide basis had been implemented as a technique of resolving a dispute'.<sup>62</sup> His more general analysis was that 'by 1974, and consistent with growing industrial awareness throughout Papua New Guinea, the Union Executive had moved away from management influence ... the new Executive lacked industrial experience and there was little carry over from the previous, more experienced Executive'.<sup>63</sup>

<sup>56</sup> Paul Quodling, *Bougainville – the Mine and the People* (Sydney 1991), 37.

<sup>57</sup> Quodling, *History of industrial relations*, BCL, 4.

<sup>58</sup> BMWU, Log of claims, 25 Mar. 1974, NBA, ACTU, N68/1127.

<sup>59</sup> Len Shurr to Fabian Kaona, 29 Jan. 1974, NBA, ACTU, N68/1127.

<sup>60</sup> *Post-Courier*, 14 Jun. 1974.

<sup>61</sup> BCL managing director's report for the month of June 1974, BCL.

<sup>62</sup> Quodling, *History of industrial relations*, BCL, 4.

<sup>63</sup> *Ibid.*

Following the strike, a two-year agreement between BCL and the BMWU was rapidly concluded. It provided for overall wage increases of 18.46 per cent, with the vexed issue of accommodation being addressed through increases in increments of 22 per cent for singles and 54 per cent for married employees.<sup>64</sup> It also provided some inbuilt wage movement, with a further 5.4 per cent increase from 1 July 1975. It did not give the union the closed shop or four weeks annual leave sought in the log of claims. Nor did it agree to the company paying a union official's wages. It did, however, include provision for future settlement of disputes by arbitration.

Three significant factors in the union's role in the June 1974 strike should be noted. First, although membership was less than 15 per cent of BCL's Indigenous workforce, the union was able to lead disciplined direct action by around half BCL's PNG employees. Second, the action succeeded beyond the union's expectations. Despite Kaona's telegram to the ACTU that the BMWU was 'unable to negotiate. Require your assistance',<sup>65</sup> the new agreement was reached without action by the Australian unions. Third, the outcome of this first negotiation, in which the BMWU had shown an ability to lead direct action, was a massive success for the union, with a wage increase well above what had previously been achieved.

That the union would not be content with these gains was evident within a few months. When the Urban Minimum Wages Board decision was handed down in October 1974, the BMWU demanded an immediate and complete flow-on of the wage increase to its agreement. When the company did not respond, the union called a strike in December. Fifteen hundred workers struck, with 800 marching on the BCL offices to demand immediate action. Management 'considered the complaints for about 45 minutes' and thought they had secured a return to work with a 'guarantee ... that it would pay the lowest scale wage earners the urban minimum wage from January 1'.<sup>66</sup>

In fact, achieving a resumption of work proved difficult, and the strike continued for another two days. Local media reported 'that one of the union's main grievances – that lowest-paid workers receive the urban minimum wage – was settled' before the strike and that 'acting general manager, Mr. Paul Quodling, closed the mine' rather than risk confrontations.<sup>67</sup> This points to deeper dissatisfaction among workers, and other factors motivating the strike were the decision to cut the workforce by 400, resentment of Filipino workers employed by BCL and a series of unresolved award issues. The latter included unpaid back-pay following the minimum-wage decision, restructure and classifications issues, manhandling by security guards, unjustified terminations, married accommodation for long-term employees, and promotions procedures.<sup>68</sup> A general problem identified in a contemporary report to the PNG government by Dr Alexis Sarei, Bougainville district commissioner, was that BCL senior management was not

<sup>64</sup> K.F. Miller to Len Schurr re BMWU agreement 1974, 11 July 1974, NBA, ACTU, N68/1127.

<sup>65</sup> Fabian Kaona to Harold Souter, telegram, 13 June 1974, NBA, ACTU, N68/524.

<sup>66</sup> *Post-Courier*, 13 Dec. 1974.

<sup>67</sup> 'Mine stoppage settled', *Post-Courier*, 16 Dec. 1974.

<sup>68</sup> E. Dobson (ACTU industrial representative), Report to ACTU secretary, H. Souter by E. Dobson. Subject: Papua-New Guinea visit, Aug. 1975, NBA, ACTU, N68/524.

focused on industrial issues and that senior managers were listening neither to their own industrial relations section nor to the BMWU.<sup>69</sup>

With strike activity increasing and the company apparently not listening to employee complaints, the likelihood of increased conflict was considerable. The issue of whether this could be confined within the industrial relations system rested heavily upon how competent the union proved in articulating workers' grievances and how willing the company was to negotiate on matters in dispute. An additional complicating factor was that both sides included those who did not support an accommodation of interests as the best pathway to industrial peace.

An external pro-negotiation observer whose views have been preserved was Leonard McLaughlin, a visiting International Labour Organisation (ILO) educator who was seconded to the BIO to promote industrial relations in PNG. McLaughlin, a former secretary of the Canadian transport workers union, tried to convince the company of the need for further development of the BMWU to provide a credible avenue through which to negotiate with the workforce. He praised senior BCL management for its enlightened approach to industrial relations compared with other companies in PNG, and then argued that the company could further assist the union by implementing a check-off system for deducting membership fees directly from wages, which would enable the union to employ full-time officials. This was a particularly important issue for PNG unions because the absence of a culture of paying to join organisations, and the sheer physical difficulty of collecting membership fees on a weekly basis, made financing union activity extremely difficult.<sup>70</sup>

During this period the union benefitted from the direct and indirect support of Kevin Miller, BCL's industrial relations superintendent. In confidential reports to the ACTU, Miller went further, suggesting that people in the company's business development section were 'amenable to the working class struggle' and would help the union if asked.<sup>71</sup> By early 1975, however, the situation of the unions seemed less positive. The Bougainville Construction and General Workers' Union had again become defunct. Some of its members joined, and some of its officers became active in, the BMWU. The BMWU president, Henry Lote, was away at a three-month International Training Institute course in Sydney and was not in a position to control the union executive. Opposition within the union developed as the relatively cautious approach of the leadership came under criticism. An element of ethnic division also existed. Lote, a Tolai from East New Britain, now headed a five-person executive made up of one other Tolai, two members from other PNG provinces and only one Bougainvillean. Growing opposition to the union leadership was led by Denis Sareke, an ardent Bougainvillean secessionist, and Leo Kaembo, also a Bougainvillean and the former BC&GWU president.

The BMWU AGM, due in March 1975, was deferred to April to combine it with an ILO-funded training course run by McLaughlin.<sup>72</sup> When the meeting was

<sup>69</sup> K.F. Miller to H. Souter, personal and confidential memo, 26 Feb. 1975, NBA, ACTU, N68/524.

<sup>70</sup> Ibid.

<sup>71</sup> Ibid.



held, 650 members attended, and debate focused on the need to appoint a full-time officer and to increase membership fees. The executive supported both, urging that the position of secretary become full-time and that it be funded by a fee increase. At the same time, Lote put his own grievances, regarding the executive having taken action in his absence and without his approval, in front of the meeting. The meeting split with 'half supporting Lote and the other half supporting the Executive Board'.<sup>73</sup> The atmosphere was so volatile that the BIO officer appointed to conduct the annual election refused to do so.<sup>74</sup>

In his lengthy summary of the industrial status of the BMWU, sent to Harold Souter in early May 1975, Miller reported that the company would not institute a check-off system for membership fees but would support the appointment of a full-time BMWU official by paying wages for the first two months, allowing the official to remain in company accommodation and guaranteeing re-employment at an equivalent level should the official wish to rejoin the company. With some prescience, he added that

there is a general belief held here in Bougainville that the trade union movement (B.M.W.U.) is reaching the cross-roads. The Union's development has now reached a degree of sophistication thereby requiring the attention of a full time officer ... to clearly demonstrate in a practical way the needs and justification to the average worker that ... satisfaction of his grievances ... can best be achieved through that established trade union.<sup>75</sup>

Miller felt that although an understanding of the industrial relations system was growing among BCL's PNG workforce, many also would not 'accept trade union leadership' and act 'under the direct control of the Union'. He went on to recommend to Souter that the ACTU consider 'making available an experienced mature trade union official ... prepared to spend three months in the year advising' the BMWU.<sup>76</sup>

## THE 1975 RIOT

A week after this report, the situation underwent a dramatic change. What appeared to be a minor dispute escalated into a strike and then into serious rioting. The trigger was the dismissal of a well-known union delegate, and former BMWU executive member, George Pompom, who had allegedly punched a canteen worker. A tribunal investigating the incident was meeting when workers marched on the company offices. Local media reported that 'about half of the total workforce' took part in the march, carrying placards that raised much deeper issues, including 'Give to God what is his and to the workers what is theirs' and 'The Company tells lies to union

<sup>72</sup> K.F. Miller to H. Souter, 7 May 1975, NBA, ACTU, N68/185.

<sup>73</sup> BIO, Report no. 1, 14 May 1975, NBA, ACTU, N68/524.

<sup>74</sup> Ibid.

<sup>75</sup> Miller to Souter, 7 May 1975, NBA, ACTU, N68/185.

<sup>76</sup> Ibid.

officials'.<sup>77</sup> The marchers stoned vehicles and took possession of company bulldozers. The police reaction was immediate and strong. Tear gas was used to disperse the marchers, and the mine was closed. Women and children were evacuated from Panguna. The authorities escalated their response, ordering riot police to Bougainville from Port Moresby and Rabaul. In hindsight, this may seem an overreaction. The political situation of the time was of rapid transition from colonial rule, through self-government from 1972, to independence in September 1975. Many instances of path dependency occurred during this transition, in which the 'new' administrators followed practices of their predecessors. These included police deployments in response to opposition as well as routine military exercises. In particular, Pacific Island Regiment exercises had taken place regularly on Bougainville, and the colonial administration had previously deployed police in land disputes on Bougainville and on the Gazelle Peninsula.<sup>78</sup>

The following day, the rioting continued, and the reinforced police used tear gas in the miners' accommodation areas although, as the Australian media pointed out admiringly, the police refrained from using the 'semi-automatic rifles and shotguns' with which they were armed.<sup>79</sup> Many workers fled. It took another day before the police were fully in control, when 'weary and hungry strikers came out of hiding in the hills surrounding Panguna and gave themselves up to police'.<sup>80</sup> During the police action, the BMWU executive members were arrested, and hundreds of unionists and other workers were imprisoned in detention centres. It was not until 18 May, six days after the march, that the police commissioner, fearing a mass breakout, ordered the release of 700 arrested workers being held in 'appalling conditions in a makeshift compound'.<sup>81</sup> Australian media reports admired the 'efficient' police action, condemned the 'uncontrolled destruction of property' and focused on a 'frenzied rampage' by miners, 'terrifying bursts of violence against property and police', 'millions of dollars lost', a 'battle with 400 police' and 'a thousand men in jail'.<sup>82</sup>

The fact that workers rioted despite the concurrent tribunal hearings indicates that more was at stake than the immediate issue of one worker's dismissal. Two BIO reports immediately afterwards stressed structural issues inhibiting the industrial relations system from doing its job of preventing the escalation of conflict. On the union side, the BMWU could not afford full-time salaried officers or competent legal counsel to represent its members adequately. On the company side, BCL managers had little or no communication with its workers. BIO officials professed themselves 'struck by the apparent [BCL] executive insensitivity towards a worsening

<sup>77</sup> *Post-Courier*, 13 May 1975.

<sup>78</sup> *South Pacific Post*, 18 Apr. 1969; Don Woolford, *Papua New Guinea: initiation and independence* (St Lucia 1976), 35–37, 48–51.

<sup>79</sup> Patrick Boyce, 'PNG riots undermine peace and prosperity', *Age*, 19 May 1975.

<sup>80</sup> *Post-Courier*, 15 May 1975.

<sup>81</sup> *Post-Courier*, 19 May 1975.

<sup>82</sup> Ann Harding, 'Bougainville's violent communications gap', unattributed press cutting, NBA, ACTU, N68/524; Boyce, 'PNG riots undermine peace and prosperity'.

and catastrophic situation. That this situation was allowed to develop to the point of explosion is itself a commentary on management capability in handling human factors of its operation'.<sup>83</sup>

Charles Lepani, BIO director, pointed out that BCL's executive management structure included no industrial relations position. His advice was that, since the PNG government was a major shareholder in BCL, the minister for national development ought to recommend to the company that it appoint an assistant general manager specifically to deal with industrial relations problems.<sup>84</sup> Lepani also pursued this objective in further talks with the secretary for labour and industry, Kipling Uiari; the BCL managing director, Don Vernon; and the company's executive manager (administration), Paul Quodling.<sup>85</sup>

Views among BCL managers seem to have been mixed. Some were taken aback by the violence, telling the Australian press that 'our industrial relations are very good' and 'our men eat and are housed far better than 99 percent of the people – black or white – living in Port Moresby'.<sup>86</sup> When one journalist asked, if this were so, why the workers had rioted, the reply revealed a harder attitude: 'perhaps one of them had a tough steak for breakfast and wanted to show his feelings about it'.<sup>87</sup> Other managers were inclined to blame outside factors, such as the presence of BIO officers and the 'stirrer' McLaughlin.<sup>88</sup> Quodling, in recalling the events many years later, emphasised that 'nationalist sentiments were running high' and that BCL was seen by many as a colonialist institution.<sup>89</sup>

Local and Australian union officials were agreed that underlying tensions had boiled over after apparently slight provocation. The BMWU's annual report stated that 'the period surrounding that date [of the rioting] was pervaded by an air of resentment and antagonism between BCL ... and BMWU'.<sup>90</sup> While a report prepared for the ACTU concluded that

one could describe the management as a tension Management under which the company experiences lengthy periods of apparent industrial peace, but during which tensions build up and [this] imposes stresses relieved only by outbreaks of violence ... management on enquiring into causes is confronted by a mass of unrelated symptoms of union frustration ... intensified by discriminatory decisions in respect of [individual] offences.<sup>91</sup>

<sup>83</sup> BIO, Report no. 2, 21 May 1975, NBA, ACTU, N68/524.

<sup>84</sup> Charles Lepani to minister for national development, 22 May 1975, NBA, ACTU, N68/524.

<sup>85</sup> C. Lepani, Brief for talks, draft, 31 July 1975, NBA, ACTU, N68/524.

<sup>86</sup> Harding, 'Bougainville's violent communications gap', NBA, ACTU, N68/524.

<sup>87</sup> Ibid.

<sup>88</sup> Lepani to minister for national development, 22 May 1975, NBA, ACTU, N68/524.

<sup>89</sup> Quodling, *Bougainville – the Mine and the People*, 39.

<sup>90</sup> H. Moses, Bougainville District Mining & General Secondary Workers Union president's statement – 1975–1976, NBA, ACTU, N68/1127.

<sup>91</sup> E. Dobson (ACTU representative), report, Aug. 1975, NBA, ACTU, N68/524.

The clear implication was that the latter were used against active unionists and that this unfairness infuriated workers whose industrial grievances were being ignored by management. Some media commentary was sympathetic to this sort of view, focusing on such facts as, 'Mine workers ... earn less than the urban minimum wage, although their working conditions, labouring in hot dust and incessant noise all day, without toilets or shelter, are unpleasant, to say the least'.<sup>92</sup>

Some eyewitness reports point to Bougainvilleans as the leaders of the rioting – although they were not, at this point, the leaders of the union. Quodling stated that of the 82 employees dismissed in the aftermath of the strike, 'half were Bougainvillean, even though ... Bougainvilleans constituted only 30 per cent of the total national workforce'.<sup>93</sup> A report to the BIO, probably written by McLaughlin, singled out Leo Kaembo as a 'riot leader', implying that some Bougainvilleans with secessionist views may have been using the union for more than industrial purposes.<sup>94</sup> It is surely no coincidence that this period included both the renegotiation of the mining agreement and an upsurge of Bougainville separatist activity culminating in the unilateral declaration of independence the following September.

In academic commentary, the riot was seen as the result of racially based disparity of income, pointing to an overlapping of race and class factors.<sup>95</sup> This literature tended to stress police violence and to suggest that, as a result, workers had 'gained heightened appreciation of their strategic position'.<sup>96</sup> Perhaps surprisingly, the language of class was also evident in local media reporting on the Supreme Court appearance of six officials on 23 May, charged 'that they had behaved in a threatening manner and made statements to an assembly intended to promote ill-will or envy between different classes'.<sup>97</sup>

At the level of union organisation, the strike represented a series of failures. The BMWU had not been an effective conduit for its members' grievances, and the riot meant it lost standing in the eyes of the industrial relations bureaucracy, the government and the company. Contemporary reports from all these areas indicate that the union had 'lost control' of its members and other PNG employees.<sup>98</sup> In any case, the BMWU was effectively decapitated in the riot, with all its executives arrested and facing serious

<sup>92</sup> Harding, 'Bougainville's violent communications gap', NBA, ACTU, N68/524.

<sup>93</sup> Quodling, History of industrial relations, BCL, 39.

<sup>94</sup> Anon. (but probably L. McLaughlin), Report to Charles Lepani re personnel considerations at BCL, 23 June 1975, NBA, ACTU, N68/524.

<sup>95</sup> Mamak and Bedford, 'Inequality in the Bougainville copper mining industry', 427.

<sup>96</sup> Good and Fitzpatrick, 'The formation of the working class', 259–60.

<sup>97</sup> *Post-Courier*, 26 May 1976.

<sup>98</sup> BIO, Report no. 1, 14 May 1975; BIO, Report no. 2, 21 May 1975; Lepani to minister for national development, 22 May 1975; anon., Report to Charles Lepani, 23 June 1975; E. Dobson, Bougainville report [to Harold Souter] based on talks held with Kevin Miller industrial relations manager Bougainville Copper Mines, 29 June 1975; Draft – brief for talks between the secretary for labour and industry Mr Kipling Uiari, the director of the BIO, and managing director Mr Don Vernon and executive manager (administration) Mr Paul Quodling, 31 July 1975; E. Dobson, Report to ACTU secretary, H. Souter, by E. Dobson. Subject: Papua-New Guinea

charges under colonial legislation, involving potentially long jail terms. Only the secretary, Tom Vevo, who was in Rabaul at the time of the riot, escaped detention.

## REBUILDING THE BMWU

That the BMWU was seen as necessary to the future of the mine is evident in the fact that all parties called for the union to be rebuilt so that it would be better at channeling grievances into negotiation rather than violence. Three weeks after the strike, a steering committee was established to 'plan the re-formation of the BMWU'.<sup>99</sup> Meetings of this group were attended by the labour department officer based in Kieta and by the PNG Public Service Association advocate.<sup>100</sup> On 25 June the BMWU finally held its election of officers by secret ballot, with BIO officials acting as returning officers. Henry Moses was elected president. His work in BCL's industrial relations section and his role in a clan with landowner status at Panguna gave him technical knowledge of the industrial relations system and political status that would stand the union in good stead. Tom Vevo was re-elected secretary and became the union's first full-time official. Ten others joined them on the committee, including Henry Lote, whose experience and training were valued.<sup>101</sup> Lote's old opponents in the union executive were not among those elected.

Moses and Vevo were to be two of PNG's most significant union leaders in the following decade. Under Moses, who was elected to the provincial assembly in 1976, the BMWU was to become an effective industrial organisation. They also brought a level of political commitment to the union leadership that had been lacking. Moses's personal decision to take a greater role in the union was a direct result of the actions of the company during the strike. He wrote to Miller a week after the riot, stating that on the day the riot started at Panguna, he was instructed by the BCL's management to disperse the marching miners before they got to the company offices. He was instructed to 'go and ask them what they are waiting for or piss them off'. But he reported that when

I talked to the fellows at Karoona Market ... The mob's reaction was, 'Don't you worry Henry, we are right'. I went back to the office and reported my findings to the boss and the boss's reaction to me was as follows: 'Henry this time they will not meet the Company's official representatives but they will meet a very tough mob. They will meet the ---- cops'. I got a shock.<sup>102</sup>

visit [11–22 Aug. 1975], n.d.; E. Dobson, Union conclusion, n.d. (Aug. 1975) – all in NBA, ACTU, N68/524.

<sup>99</sup> Henry Moses, President's statement, attached to Tom Vevo, The Fifth annual report, and the un-audited financial statement of accounts for the year ending 31st March 1976, NBA, ACTU, N68/1127, 2.

<sup>100</sup> Vevo, The fifth annual report, NBA, ACTU, N68/1127.

<sup>101</sup> *Workers News*, 4:6 (June 1975), NBA, ACTU, N68/1126.

In addition to gaining a capable and committed leadership of its own, the BMWU revival also involved personnel assistance from the ACTU. The ACTU had threatened direct action on behalf of jailed unionists, and Vevo asked that the ACTU appoint an organiser/adviser for a six-month period.<sup>103</sup> Edwin (Ted) Dobson, recently retired secretary of the Queensland Plasterers' Union, was chosen. In July, he visited Kevin Miller in Sydney to get a briefing on the BMWU's situation. The following month, Dobson undertook a ten-day investigative tour to Port Moresby and Bougainville. He reported back to the ACTU, received detailed instructions from Souter and took up his appointment with the BMWU in February 1976.

The new union leadership did not wait for Dobson's arrival. In order to alleviate 'symptoms of industrial unrest', the smouldering resentments from May 1975, 72 shop stewards were chosen from all areas of the company's operations and given an induction course of training aimed at imparting skills in 'basic diplomacy'.<sup>104</sup> Although 800 Bougainvillean members of the union struck in support of the unilateral declaration of independence in Bougainville on 1 September 1975,<sup>105</sup> the union avoided any further involvement in the tumultuous secessionist demonstrations, riots and confrontations that hit the province during the last three months of 1975. Focusing instead on industrial matters and, under Moses's direction, deliberately using arbitration machinery rather than violent confrontation, the union systematically pursued a flow-on to their award of wage increases ordered by the October 1974 Urban Minimum Wages Board decision as well as back-pay since that decision, a grievance which had contributed to the BMWU strike in December 1974 and the Panguna riots in May 1975.

Industrial relations activity during this period shows the union acting cautiously to represent members' interests and restrain militant action. In August, following a conciliation conference at Arawa on outstanding issues, a dispute was declared, which went to an arbitration tribunal in Port Moresby on 6–8 October 1975. The BMWU funded the attendance of Henry Moses, Denis Sareke and Henry Lote. Paul Quodling was BCL's advocate. The tribunal's award was announced on 5 November: a K14.80 a week flow-on, back-dated to 24 October 1974. Although the union was triumphant, Moses's response was modulated and, with reason, barbed: 'We are happy with the whole thing. This claim was not a difficult one. It was the company's intention to make the union learn the hard way'.<sup>106</sup> In mid-December, the National Executive Council (NEC) approved the flow-on but rejected the retrospectivity. Moses's reaction was cool: 'I'm not very happy with the decision, but any action will be dictated by the members. I'm very confident though that there will not be any trouble'.<sup>107</sup>

<sup>102</sup> H. Moses to K.P. Miller, Confidential memo re industrial demonstration, 19 May 1975, NBA, ACTU, N68/524.

<sup>103</sup> H. Souter to Campbell Fleay (secretary, PNG Department of Labour), 16 May 1975; Tom Vevo to H. Souter, 10 June 1975, NBA, ACTU, N68/185.

<sup>104</sup> Moses, President's statement, NBA, ACTU, N68/1127, 2.

<sup>105</sup> *Australian Financial Review*, 2 Sep. 1975.

<sup>106</sup> *Post-Courier*, 13 Nov. 1975.

<sup>107</sup> *Post-Courier*, 16 Dec. 1975.



The meeting of 800 members, held the following day, condemned the NEC for 'breaching industrial procedure', accused BCL of lobbying ministers to stop retrospectivity and threatened to refer the matter to the Supreme Court, but 'the 3000-strong BMWU would strike only as a last resort', Mr Moses said.<sup>108</sup> Tom Vevo reported that the mine workers 'were bitterly pressing to claim their money. However the control was with the Executives'.<sup>109</sup> The union offered 8 August 1975 as a compromise date of effect. Moses commented to the Australian press, 'We have learnt from our mistakes last May. We will bend over backwards first to resolve the matter by industrial means'.<sup>110</sup> BCL refused the offer at first, then accepted it in January 1976, following intervention by the Department of Labour, urging that it was a small price to pay for peace.<sup>111</sup> It was a victory for the union's conciliatory approach as well as for the new leadership's ability to control events and its determination to pursue members' rights within the framework of the system of industrial regulation. As Moses put it, 'we are entitled to our award because it was legally granted and fought for'.<sup>112</sup>

Moses' explanation to the ACTU of how he thought the union was placed in January 1976 recognised that negotiations for the 1976 Mining Workers' Agreement would strike strong opposition from the company owing to the recent wage increase, and so he emphasised the need for caution and careful attention to outstanding conditions claims. He felt the arrival of Dobson would help BMWU officials learn the techniques of negotiation.<sup>113</sup>

## CONCLUSION

The BMWU emerges from this narrative of its formative years as an organisation pulled in a number of directions. In industrial terms, it went from being a creature of the labour administration and the company to gaining a genuine capacity for action in defence of its members' interests. In the political context of increasing nationalist and separatist sentiment, it is hardly surprising to see contention within the union between those who favoured an inclusive, membership-based organisation and those who wanted a greater focus on Bougainvillean interests. It is remarkable that the BMWU was able to operate within these tensions. The 1975 strike and its aftermath demonstrated how rapidly the union had matured. Despite the extreme action taken by the police, and the support this received from public commentators, the BMWU did not respond in kind. Rather it sought to negotiate and compromise within the framework of the accommodation structure established by the industrial relations legislation. The union was able to maintain a disciplined response in the aftermath of the strike and

<sup>108</sup> *Post-Courier*, 19 Dec. 1975.

<sup>109</sup> Vevo, The fifth annual report, NBA, ACTU, N68/1127, 2.

<sup>110</sup> *Age*, 7 Jan. 1976.

<sup>111</sup> Moses, President's statement, NBA, ACTU, N68/1127, 4.

<sup>112</sup> *Age*, 7 Jan. 1976.

<sup>113</sup> H. Moses to H. Souter, 26 Jan. 1976, NBA, ACTU, N68/524.

achieve the long-sought minimum wages gains for its lowest paid members in the face of opposition from both the company and elements in the PNG government.

Subsequently the BMWU proved itself able to negotiate effectively with the company and to use a full range of industrial relations mechanisms to address employee grievances. Tensions continued on both the union and the management sides between those who sought accommodation of interests and those who took more radical positions. The former were able to prevail to the extent that minimal industrial disruption occurred in the period 1977–78, ‘only eight hours being lost in each year as a result of industrial action’.<sup>114</sup> For the following decade, the mine was able to operate despite disputes, and the latter were resolved without resort to violent confrontation. When this balance changed in the late 1980s, it was part of the prelude to the war that overwhelmed the mine and all of Bougainville. The role of industrial conflict in precipitating armed warfare is the subject of ongoing research.

<sup>114</sup> Quodling, *History of industrial relations*, BCL, 6.