

BEXT 4154

NOTES ON MEETING AT NORTH SOLOMONS GOVERNMENT OFFICE

2.00 P.M. - 8TH JUNE 1989

PRESENT

Minister for State	Mr. E. Diro
Minister for Police	Mr. M. Ijape
	Mr. Sebumi
Commissioner for Police	Mr. P. Tohian
Defence Force Commander	Mr. L. Datona
Deputy Sec. Prime Minister's Dept.	Mr. Maligapa
N.S.P. Premier	Mr. J. Kabui
	Mr. M. Laimo
	Mr. P. Tsiamilili
etc.	
Bougainville Copper Limited	Mr. R.J. Cornelius
	Mr. J.L. Auna
	Mr. S.J. Jopling

The National Government group arrived from Port Moresby mid morning and had a helicopter view of the PMAR, minesite and its environs:

Mr. Diro set the scene for the meeting by stating that after studying the impact of the closure of the mine, the Government has decided that no effort must be spared in trying to get the mine working as soon as possible, within one week if possible.

The main features of the closure are that Government Department staffing may have to be cut by one third and foreign reserves will be exhausted this month. He said that given that the Government provides

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whatever security is required, "How long will it take B.C.L. to fix the powerline?"

R.J.C responded by pointing out that the problem has existed for six months and each time that production is halted, the problem rectified and production recommenced, then some other installation is attacked. The situation has been reached where the Panguna residents cannot buy petrol or go to the bank and are living in fear. Also, people are fearful of travelling on the road to the coast. We have told the line gang that we will not ask them to work on the power line until the law and order situation is improved. We are still concerned that if we did fix the powerline, then some other facilities which could take much longer to fix may be hit.

The work on the powerline will take three weeks from the time that it is safe to work on the line. The stage has been reached where our employees will not expose themselves to attacks by the militants.

Mr. Diro then commented that "We cannot guarantee you 100% security" but the Government is prepared to provide standing guards, escorts, surveillance etc. He also commented that the Government, CRA and B.C.L. must work together.

J.L.A. then commented that the situation has existed for six months, we have had escorts and static guards but the problem is the law and order situation.

Mr. Diro then made reference to the Police and the Defence Force developing a plan to "neutralise" the problem. The truce period has given them the time to assess the problem. He also said that they are now ready to use "brutal firepower". Mr. Diro seemed to be suggesting that the Government was about to declare a State of Emergency but it was unclear as to when that will happen.

R.J.C. again expressed concern about what the Government are asking B.C.L. to do. He pointed out that those times, when we have had armed guards, parts of the operation have been attacked, ie. on Towers 22 and 35 and at the emergency generators. Also, B.C.L. is concerned as it has a lot of valuable equipment which we don't want to put at risk.

"Under the current circumstances, I cannot move to commence repairs."

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At this stage, Mr. Diro became a little agitated stating "The Company has to be prepared to take a risk or there is no point in us coming here.

It is not possible for the Government to act unless B.C.L. will act."

At this point, R.J.C. received a note saying that the Jaba low pressure pump house had just been set on fire and stated that under the present circumstances B.C.L. cannot safely resume work. He then clarified that it will take B.C.L. three weeks to repair the powerline but because the pump station has been destroyed, production will be down by about 10% for some months while the pump station is repaired.

Mr. Diro then questioned if the Leave Programme would cause any problems in resuming operations.

R.J.C. replied that a core group had been retained for the purpose so the Leave Programme was not a problem.

Mr. Sebume then commented that the Government is prepared to double the number of security people if necessary and suggested that they would put the measures in place then reassess the situation after one week.

There was general agreement that the Government will proceed with its plans and B.C.L. will meet again in one week's time to review the situation.

Mr. Diro finished by restating that the Government wants B.C.L. operating again ASAP, and that the militants have shifted from the Landowner problems to secession but the Government is committed to a single Nation. He asked that everything that happens in Panguna be assessed and reported directly to the Government on 27.6715 - Prime Minister's Department at 9.00 a.m. each day.

"The Government is working to neutralise the problem".

"The time for talking is over."

"Cannot let the current situation continue."

R.J.C. agreed that B.C.L. will review the situation in a week's time but pointed out that the employees were so concerned that they went on strike and on the day that they were returning to work, the buses were

DP 001627

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attacked and some employees were injured.

J.L.A. added that if we asked the employees to work he doubted that they would do so.

Mr. Diro closed the meeting, making statements about ... "It will take time Democracy"

B.C.L. were then asked to withdraw to allow the National Government representatives to have a further discussion with the North Solomons Provincial Government.

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