In our previous issue Herb Thompson examined the political and social impacts of mining and the land rights struggles of Aborigines in Western Australia. In this concluding article, he gives some insights into the attitudes of the mining companies and the impact of the resources boom on Aboriginal communities already struggling to survive....

Herb Thompson

Police arrest blockaders at Noonkanbah Station, 1980.
In the Kimberley region of northwest Australia, minerals have, until recently, played a minor role in the region's development. This will change dramatically in the 1980s. The full weight of mineral development, construction camps, and all of the social chaos that goes with this for Aboriginal people will be seen over the next decade. The only major projects in this region during the 1970s were the BHP iron ore mines on Koolan and Cockatoo Islands in Yampi Sound, offshore from Derby. These islands are accessible only by boat and aircraft and have not been a source of disruption for Aborigines in the area.

Recently, however, there has been an explosion of interest by a number of corporations in the entire Kimberley region. Mining claims and exploration activities are now scattered right across the Kimberley in the name of companies such as CRA, BHP and AMAX; and a host of other smaller Australian companies or larger transnational representatives. This exploration and mining activity directly threatens Aboriginal control over the land, their culture and their self-reliance.

In the northern section of Noonkanbah station, more than 30 companies, among them AMAX, CRA, BHP and MIM have lodged mining claims for diamonds alone. Ellendale station, a few miles to the north, was the site on which CRA discovered the first major diamond pipe. Because of the large number of claims and companies involved, activity at Noonkanbah has sometimes been frenetic. Also, onshore oil exploration permit EP97 covers Noonkanbah and surrounding areas. The permit is held by a consortium led by AMAX Petroleum.

With reference to Noonkanbah and the Kimberley, this section will concentrate on examining the two corporations operating with the highest profiles, AMAX, Inc. of the United States and CRA Ltd., a subsidiary of the Rio Tinto Zinc mining empire of England.

AMAX, Inc. began as the American Metal Co. in 1887, changing its name to American Metal Climax after acquiring the Climax Molybdenum Co. in 1957. The name was changed again to AMAX in 1974. AMAX is an integrated producer of base and specialty metals. It is the world's largest supplier of molybdenum and a major supplier of Tungsten. In addition to its interests in non-ferrous metals, AMAX is the third largest coal company in the U.S. and owns 50 percent of Alumax Inc., a large aluminium company.

AMAX continues to invest heavily to diversify within the sectors of natural resources and energy. In 1978, about 75 percent of its $3 billion worth of property, plant and equipment was less than five years old. Its principal affiliates include Alumax — 50 percent; Botswana RST Ltd — 30 percent; Tsumeb Corp. Ltd. in Southwest Africa — 30 percent; Roan Consolidated Mines Ltd. in Zambia — 20 percent; and O'okiep Copper Co. in Southwest Africa — 17 percent. In 1975, Standard Oil of California (one of the Seven Sisters) purchased 20 percent of AMAX. British Petroleum also holds 7 percent of the company. After AMAX had earned record profits of $771 million in 1980, Standard Oil attempted a complete take-over, making the largest single offer in history of $4.3 billion. AMAX directors recommended a rejection of the offer to shareholders and Standard Oil later withdrew it.

The company first entered Australia in 1963 to examine the iron ore deposits at Mt. Whaleback in the Pilbara of Western Australia. In 1964, AMAX was joined by CSIRO Ltd., and in 1966 by BHP Pty. Ltd. in order to establish the Mt. Newman Mining Co., the only major project which AMAX has moved into the production stage in Western Australia. The Mt. Newman Mining Co. began producing iron ore in 1969, and between 1972-79, the iron ore company contributed a total of $266 million to AMAX's total pre-tax earnings, at a yearly average return of 19 percent.1

The major components of success for AMAX were outlined in an article in 1976.2 According to this article the elements of success included: diversification of its natural resource base; avoiding environmental conflict; pursuing extensive research and development programs; investing in politically stable areas; and using a 'direct hands-on' management style. To these components Ritchie Howitt adds: financial practices; and treatment of indigenous people.3

It was two weeks after Ralph Nader had visited Australia and warned that the corporate state was upon us — "the unholy alliance of government and multinational corporations against the people" — that West Australians were provided with a striking example of theory in action. The state government of Sir Charles Court went to extraordinary lengths to help AMAX Petroleum to fulfill its contract to drill for oil on the Noonkanbah Aboriginal cattle station 1,400 miles north of Perth. AMAX was acting as the managing component of a joint venture which also included Whitestone Petroleum International —

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Protesters at Noonkanbah, 1980.

32 percent; Pennzoil Aust. — 29 percent; Australian Consolidated Minerals — 5 percent; Yom Oil — 5 percent; and AMAX held 29 percent.

During this confrontation the president of AMAX Petroleum was contacted by reporters at his office in Houston, Texas, U.S.A. The response to questions by Mr. Lloyd Parks was very revealing. He made the point that "the State Government was telling AMAX what to do at Noonkanbah". He then went on further to say: "I run an oil business and we have never had these problems before — not with Indians. We are sick of being given hell by the press and communists over there. If the Aborigines want to talk to me, I am in my office any time, in Houston."4

If we take only part of the above statement that "we have never had these problems before" and subject it to closer analysis, we find that, in fact, nothing could be further from the truth. According to Howitt the following information is pertinent since "AMAX faces legal challenges from Indians all over the United States".

AMAX has been named as a defendant in an action brought by a group of Navajo Indians in the U.S. District Court in Arizona on December 19, 1979. This action claims damages of $10 million for personal injury or wrongful death resulting from employment in certain underground mines on the Navajo Reservation which were operated by the Climax Uranium Corporation (merged into AMAX in 1961) between 1950-65.

ANAMAX, a 50 percent subsidiary of AMAX in Arizona, U.S.A., has been a defendant in a legal action since 1969, brought by the Papago Indians. The action seeks to restrain the company and other water users in the Santa Cruz River Basin from using excessive water and interfering with the water rights of the Indians.

AMAX successfully negotiated a mining agreement with the Colville Confederated Indian Tribes of Washington, U.S.A., to mine a mountain of low-grade molybdenum on the Reservation. The problem is that the mountain, Mt. Tolman, is sacred to traditional Indians in the area. As one observer of the negotiations argued:

This mining project has been the focus of serious divisions in the tribal population with many of the older members opposing further development and modernisation and the younger, more educated members favouring economic development believing that the reservation population must accommodate itself to contemporary conditions.5

The agreement with the Colville Tribes is reminiscent of the situation with the Ashton Joint Venture in the Kimberley. AMAX offered members of the Colville Confederated Tribes $6,000 each per year, plus money for tribal development programs in return for the right to turn Mt. Tolman into a 1,200 foot deep pit two miles long and one mile wide. In the words of the Indians themselves:

... land is the only certainty. This is what impels persistent opposition to mining despite the promises of payments from AMAX. Money is tempting said one tribal member... but the future of our children is at stake here. I'd rather leave them a homeland than buy them a motor bike.6

An interesting difference in sentiments was elicited by Ritchie Howitt in an interview with AMAX's Western Australian Regional Exploration Manager in May 1980:

... the problem (at Noonkanbah) was at least partly caused by do-gooders such as teachers and university people going up to places like Noonkanbah and telling people they should stand up for their rights. There is, of course, nothing wrong with that, but the same
they should also accept that they are a conquered race, (Howitt's emphasis).

CRA Ltd. has been one of the dominant institutions in Western Australia since the early 1960s when it established the Hamersley iron ore project. Since then the economic and political position of CRA has been solidified through the establishment of some of the largest mineral projects in the world, a number of them in Western Australia itself.

It is pointed out by the companies and state government that the Pilbara has provided immense social and economic benefits to the state in the form of infrastructure, wage payments, royalties and export income. At the same time, Pilbara development has shown even more clearly the vast differences between the living standards of most non-Aboriginal people and the poverty and social degradation of the Aborigines. One need only compare the company towns of Dampier and Wickham with the predominantly Aboriginal community at Roebourne. This situation will likely become even more disparate during the next decade with the development around Karratha associated with the production of Northwest Shelf gas.

From the very beginning, in 1963, when Hamersley Iron began construction, Roebourne was used as a regional bordello. Roebourne had the only significant hotel in the area and the only major concentration of females, Aboriginal women coming into town with their families as they moved off the pastoral stations. Prostitution offered the only means of survival for some Aboriginal women, and for others the only means to gain access to the high-living, fast-spending of the 4,000 construction workers newly located in the area.

During the construction phase, Hamersley did employ a number of Aborigines on the railway line being built between Dampier and Tom Price; but since then very little employment has existed for Aborigines with the mining companies. It has been pointed out that:

The policy of mining companies concerning the employment of Aborigines differed somewhat. Hamersley Iron stated that their policy was to employ Aborigines on the same basis as any other labour. Since most recruitment is in Perth such a policy would seem to exclude Aborigines from their work force, and our own respondents believed that the company policy was not to employ them. Cliffs Robe River, whose plant is much nearer to Roebourne, appeared to accept rather more responsibility. We were told that at one time Cliffs had actually provided a bus to transport Aboriginal employees from Roebourne to Cape Lambert but that the Aborigines were incapable of attending regularly for employment.7

Another official report noted in 1978 that:

The mining developments (in the Pilbara) have not as yet provided a great deal of direct employment for Aborigins due partly to the absence of appropriate skill and partly to the fact that many of the new areas of development are remote from the few major centres of Aboriginal population.

At the present time, Hamersley Iron does not have more than a few Aboriginal employees, and does not have an effective Aboriginal employment program. A small number of men are employed at the 7-mile workshop of the company — normally about 9 workers per day. The Leramugadu Aboriginal community has a contract with Hamersley to hire workers on an hourly rate/daily basis. The contract is separate from awards covering other workers in the iron ore industry. The workers bring home about $240 each fortnight ($3 per hour) and some of the proceeds are put into a community fund. Although the relationship between the company and the community has existed for five years it is still handled on a token basis with little concern for expanding the numbers of Aborigines employed on a full-time basis.

Very few Aboriginal people live in the mining towns of Wickham, Dampier or Karratha. They are still primarily concentrated in Roebourne, seen as outcasts by many workers living in the mining communities. There is every reason to assume that, ten years from now, a similar situation will exist in the Ellendale, Argyle, Kununurra geographic triangle of the Kimberley. Few lessons appear to have been learned with Roebourne standing out as a clear example of what to expect, on a larger scale, both geographically and in numbers of people, as 'development' proceeds unfettered in the Kimberley. As Howitt concludes:

Fundamentally, my assessment is that mining, like so many other things happening to and around Aborigines

"Patriotism" and "nationalism" are used to deflect the discussion away from Aboriginal land rights, or the relationship between the cultural survival of a people and the pursuit of profit by mining companies.
in Roebourne, is not seen as a thing over which they can have any control or influence. It is something to be accepted and coped with rather than actively resented. Like all the 'government people' and so on, it is just there. After so many broken promises, it seems the people cope at least partly by dis-engaging from attempts to control change and by putting all their effort, quite reasonably, into surviving.9

Shifting our attention from CRA’s activity in the Pilbara during the 1970s, we must note CRA’s move northwards to the Kimberley, which will be a focus of activity for the company in the 1980s. In the Kimberley, CRA is presently engaged in two major projects: the Ashton Joint Venture, soon to become the largest producing diamond mine in the world; and the Mitchell Plateau Bauxite Co. which is doing feasibility studies on the large bauxite deposits at Mitchell Plateau and Cape Bougainville in the far northwest.

With respect to the Argyle diamond deposit, and keeping in mind the Australian Mining Industry Council (AMIC) guidelines, CRA has been accused by the Kimberley Land Council of the following violations:10

1. CRA refused to accept repeated definitions of sacred site boundaries by Aboriginal community representatives, in meetings with CRA staff, on the basis that the information was verbal and unauthoritative;
2. omitted to employ an Aboriginal elder to define the site boundaries despite two written requests from the W.A. Museum to do so;
3. refused to await the outcome of the company’s application to the Museum for permission to mine the site; and,
4. was able therefore to plead the defence, under Section 62 of the Aboriginal Heritage Act, of lack of knowledge that the area was a sacred site.

CRA then divided the Aboriginal people in the area by making a monetary settlement with one of the communities to confirm their rights to mine in the area. While AMAX virtually ignored the Noonkanbah Aborigines, leaving the state government to handle the dispute, CRA carefully developed strategies to bolster its image and create divisions between and among the three major Aboriginal communities at Argyle (Turkey Creek — Warmun community; Dunham River — Woolah community; and Glen Hill — Mandangala community).

CRA is clearly setting the example for other mining companies in the area.

In 1979, Roderick Carnegie, chairman of CRA Ltd., made the point that:

Aboriginal landholders are consulted before exploration is commenced on their land and care is taken to safeguard their sacred sites.11

However, his points of emphasis and priorities seemed to change slightly when speaking at CRA’s annual general meeting in 1981. There, he said that “Australians would face a day of reckoning if they could not show the world that they were developing their resources”. He was replying to a Uniting Church minister, Noel Preston, who said in a statement that “CRA was engaged in a second phase of invasion”. “The first invasion phase by Europeans had taken other resources and now mining resources were being taken at cost from Aborigines,” Mr. Preston continued.

Carnegie responded: .... to the north of Australia where one billion people who would enter the workforce in the next 25 years and would need resources. In the history of the world there is no nation that is as fortunate as Australia to have such a small population with so much. In the
This response is very much in line with the rhetoric and strategy of public persuasion outlined in the AMIC public relations campaign. 'Patriotism' and 'nationalism' are used to deflect the discussion away from Aborigines land rights, or the relationship between the cultural survival of a people and the pursuit of profit by mining companies.

In the bill passed by state parliament (Diamond Ashton Joint Venture Agreement Bill, 1981) no specific reference is made with regard to the Aboriginal population. However, in the second reading speech, it is noted that, "after 25 September 1980 when, following an agreement with the recognised Aboriginal custodians of Argyle Aboriginal sites, the government gave its consent to the joint venturers for work to proceed on its tenements covering the Argyle prospect".

There is an element of deja-vu in the Argyle Agreement based on a statement given by Carnegie some years ago at Trinity College, Melbourne. In his address he stated:

It is quite possible that if we had looked at the problem of the Aborigines in Weipa in 1959 in the way in which we would now, that we would do something different.13

In Weipa, on the western coast of Cape York in northwest Australia, are found the largest and richest bauxite reserves in the world. These reserves are controlled by Comalco, an associate company of CRA Ltd.

Comalco began negotiations in early 1957 for the mining rights at Weipa with the Queensland Mines Department. There were no negotiations with the Aborigines whose Reserve sat right on top of the bauxite under consideration. While the government was mildly responsive to the Mission authorities in charge of the Reserve, for some compensation, Maurice Mawby, the exploration director, refused to attend any meeting to discuss compensation.

In 1957, the Commonwealth Aluminium Corporate Agreement Act was passed, allowing Comalco leasehold over the bauxite deposits for 105 years. The Act made no mention whatsoever of Aborigines, or of the Aboriginal Reserves being converted into a mining lease by the Act. For purposes of legal and financial simplicity, they didn’t exist. Dr. Noble, Minister of Health and Home Affairs, dismissed any notion of royalties for Aborigines on the grounds that the royalty rate was too low to support the Aborigines.14

During the first five years of operation, Comalco earned over $160 million in profits and paid $27 million in taxes. Over the years, bauxite at Weipa has been a major profit spinner for both Comalco and the CRA Group. In 1979, profits amounted to $59 million followed by record profits of $75 million in 1980. Yet, after 20 years of operation, only 25 Aborigines out of several hundred in the area have jobs with Comalco.

What Roderick Carnegie would do differently may be portrayed by the AJV strategy at Argyle, some of which has already been outlined above. First of all, the Aboriginal community was split into factions by isolating small groups of individuals and offering money payments; individual Aborigines were made into power brokers with some of the resources gained relative to the resource starved communities surrounding the area; the original agreement with the Mandangala community was extended to include the Warmun and Woolah communities but only on the basis of separate negotiations. Those people who signed first received the best conditions; Department of Aboriginal Affairs officers and ex-Aboriginal community advisors were put on the CRA payroll as 'liaison officers'; and a public relations campaign was started to show CRA as a 'good neighbour'. The Mandangala community is to receive $240,000 for capital works and $100,000 per year for the life of the mine. The Turkey Creek and Woolah communities received money for capital works and programs of $100,000 and $40,000 respectively. To exert control over the communities, CRA is working with the Aboriginal Development Commission and the Department of Aboriginal Affairs to make sure the money is well spent. This strategy is very different from the one used at Weipa, or that used at Noonkanbah by AMAX.

The corporate activity and style of CRA Ltd. is very much in keeping with its parent RTZ Ltd. in England. The management style was developed by Sir Val Duncan, ex-chairman of RTZ as is clear in the quote below:

(Sir Val Duncan) believed we should create a Rio Tinto company in each of the principal mining countries, which in turn would control a series of
... operations within its own territory. The local Rio Tinto companies should ... be totally identified with their host countries. The directors .... senior management .... (and) operators would as far as possible be local people and there would be representatives from local companies on the Parent Company Board. Thus there would always be .... agreement on the aims of the individual companies and the Group as a whole. Local participation in the equity of the overseas companies was essential .... to ensure local identification with the fortune of various operations.15

This style of management is transferred to the local level wherein CRA has control of the AJV which is identified as a company indigenous to the Kimberley. Operations of the AJV are "as far as possible" represented by local people with knowledge of the area and of Aboriginal people. Local participation is purchased in the form of pay-offs to the Aborigines most immediately affected by mining so as to minimise disruption and criticism of the transnational control.

From the 1960s, it has been a basic component of RTZ's strategy to concentrate investments in politically conservative, white-dominated former British colonies such as Australia, South Africa, Zimbabwe and Canada. This style of investment is not conducive to any real understanding of people who wish to be left alone, such as the indigenous people of the Kimberley.

The final area of concern, relevant to CRA's economic expansion, is the Mitchell Plateau area in the far north of the Kimberley. CRA's interest in the bauxite-aluminium mineral base has been evident in CRA's buy-in to the Mitchell Plateau Joint Venture. The Joint Venture consists of CRA Ltd. — 52.5 percent; Billiton Aluminium — 10 percent; Sumitomo Aluminium — 10 percent; Marubeni — 5 percent; and Sumitomo Corp. — 5 percent.

It is hoped, dependent on the international market, that production of bauxite and alumina could start in 1987. Feasibility studies in 1981 are thought to have cost $15 million. The deposit itself holds 410 million tonnes of bauxite. Siting a plant near the deposit would require a township of 750 people. There is a natural harbour at Port Warrender capable of taking ships up to 70,000 tonnes.

CRA has also increased its share in the Cape Bougainville deposit close by to 67.5 percent. Others include Alcoa — 22.5 percent; and Billiton Aluminium — 10 percent. During 1982, work in both areas has concentrated on extensive field programs to evaluate the ore and to determine the best way of beneficiating the ore.

People within the Kimberley Land Council have indicated serious concern with the increased mining company activity in the Mitchell Plateau area. A group of elders from the Mowanjum and Kalumburu communities were brought south as guests of the Mitchell Plateau Bauxite Co. to view the Alcoa bauxite mining and refining operations. These two communities comprise the Worora, Ngaringin and Wunambul tribes and are the traditional owners of land in the Mitchell Plateau area of the northern Kimberley. A spokesperson, Mr. William Balgowan, of the company said that when they launched the feasibility study they got in touch with the communities. A community advisor to Mowanjum, Mr. Patrick Pohl, said representatives from the communities want to co-operate fully and had worked with the W.A. Museum to determine the location of sacred sites in the area. "The leaders of the communities want to co-operate so that the area will be developed and community members can be employed in the mining operation."

How this operation can possibly be any different from Weipa has yet to be explained. The main difference appears to be in the emphasis on public relations. The AJV recently rejected a submission from a firm which advised it that Aborigines would ultimately win their battle for a better royalties deal. The firm, International Public Relations Pty. Ltd., had tendered for the "Eric White Associates' perception of the scenario is consistent with regard to our own. IPR, on the other hand, believe that those dedicated to securing a larger share of mining revenues for Aborigines will ultimately succeed and that our best policy is to position ourselves to conduct these negotiations. This is a fundamental difference of view — and IPR is to be commended for its candor."

Given the relative merits of the public relations tenders, an AJV brief observed that the "Eric White Associates' perception of the scenario is consistent with regard to our own. IPR, on the other hand, believe that those dedicated to securing a larger share of mining revenues for Aborigines will ultimately succeed and that our best policy is to position ourselves to conduct these negotiations. This is a fundamental difference of view — and IPR is to be commended for its candor." The brief then eliminates IPR on the grounds that it would not work effectively for goals it considered unattainable.

According to the AJV brief, the primary public relations objective is "sustaining the Argyle Agreement with the Glen Hill Aboriginal community and isolating this agreement from the general debate on Aboriginal land rights, while encouraging community acceptance of the company's policies towards its Aboriginal neighbours". It is evident that the original occupants of the land have been redefined as 'neighbours' throughout the brief.

Further, "the path to success on the Aboriginal issue is not via active participation in the broad public debate on Aboriginal land rights .... (but rather) through a vigorous lobbying campaign of key decision-makers at state and federal levels", according to the AJV.

It is now clear that the Australian Mining Industry Council, rather than specific companies is to take up the "broad public debate". The AMIC, in late 1981, began to enter the public arena vociferously, arguing the potential irreparable damage which would be done to the mining industry should Aboriginal land rights be taken seriously in the political sphere.

The so-called 'resource boom' has resulted in a mining invasion on the lands inhabited by Aborigines for over 50,000 years. Aboriginal sacred sites are being destroyed, their land is being bull-dozed, fenced and carved up, their fishing holes and game areas are being decimated. The companies are doing it, the governments are permitting it and trade unionists are ignoring it. The crisis of capitalism exists in the Kimberley, albeit in a more subtle and less publicised manner. Another culture is being sacrificed to the golden call of profitability.

A spokesperson for the Warnum Aboriginal community, Mr. Rammel Peters, recently said: "It's hard for white people to believe, but this mining has been bad for us. We would like the miners to leave, but we know we must have them about for at least 30 years." He said the miners had recently unearthed two old Aboriginal graves near a drilling site. "All the people think that the original occupants of the land were left alone, such as the indigenous people of the Kimberley."

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