

Cyanide spill endangers villagers in Papua New Guinea

Mike Head
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For the second time in less than two months, an Australian gold mining company has been responsible for a cyanide spill that has endangered lives and the environment in another country. The lethal chemical washed into a river system last week when a freight helicopter chartered by Dome Resources dropped a one-tonne box of sodium cyanide pellets about 80 kilometres north of the Papua New Guinea (PNG) capital of Port Moresby.

In the previous incident, on February 1, a cyanide overflow from Esmeralda Exploration's gold mine dam in Romania caused massive environmental damage in Eastern Europe. It threatened the water supplies of 2.5 million people, and destroyed fish and wildlife in Romania's River Dsomes, Hungary's River Tisza and Yugoslavia's Danube.

In both cases, the cyanide spilled had been used for processing gold ore. While the Romanian disaster received considerable media coverage, little has been reported about the PNG accident, even in Australian and PNG newspapers.

Dome Resources and the PNG government were swift to claim that the damage and dangers were minimal, but this is far from clear. The company initially admitted that up to 150 kilograms of cyanide had dissolved into a water system. Testing of a nearby stream showed cyanide levels as high as five parts per million—many times the safe limit for human consumption and for the survival of marine and plant life.

The spill occurred in rugged terrain as the company was transporting two one-tonne boxes of cyanide pellets to its Tolukuma gold and silver mine, in the Central Highlands, about 100 kilometres north of Port Moresby. Twenty kilometres short of the mine, one package broke away from a sling beneath the helicopter, plunging into the jungle, where it smashed apart on impact.

According to the company, the accident occurred early on Tuesday March 21. Yet it was not until the next day that another helicopter team located the site where the pellets were strewn.

Nothing was known of the accident until PNG's National Disaster and Emergency service warned local villagers not to drink from nearby rivers. A University of PNG chemical

expert, Professor Kirpal Singh, commented: "If the drum has fallen into a river and it is broken, people using this water are likely to die—they cannot survive." Fish and other marine life would die. Singh said people could also die by inhaling sodium cyanide.

Radio Australia's Ekonia Peni, who flew over the site, reported: "There is a creek close to where the cyanide fell down and that creek flows into a fast-flowing river actually some kilometres down... to actually get into the area is very, very difficult."

Local landowners immediately accused the company of acting irresponsibly. They claimed that similar incidents had happened in the past involving fuel drums and a bulldozer blade that fell from a helicopter into the Dilava valley, nearly killing villagers.

Dilava Yaloge Landowners Association chairman Daniel Mona called for an investigation into safety standards in airlifting such dangerous materials. Mona said the chemical spill was about 12 kilometres from Yaloge village but could contaminate the Yaloge River. People downstream rely heavily on the river for drinking water, including more than 350 people in Inaina village, others further down in the Gabadi villages and well over 1,000 people in the coastal villages of Pinu.

In a statement to the Australian Stock Exchange on March 23, the company said: "Testing of the water below the site initially showed traces of detectable cyanide." In an apparent effort to prevent its share price falling, the company added: "The stream has now been flushed with neutralising chemicals and Dome is very confident that the contamination has been substantially contained to the immediate area."

Dome's managing director Michael Silver said topsoil was being stripped from the area and taken to the mine for treatment. He claimed that Dome was a responsible company, saying there had been only two accidents in six years, while 25,000 tonnes of cargo, including 1,000 tonnes of chemicals, had been airlifted in over 5,000 individual aircraft movements.

Silver's figures merely highlight the extent to which the company regularly places the lives of local villagers at risk. Dome Resources' web site boasts that Tolukuma is unique in being the only mining project in the world that has been built and operated with all materials and personnel transported to the site by helicopters. In Australia, helicopters would not be permitted to carry heavy machinery and toxic materials over inhabited areas.

The company was quick to enlist support from the PNG authorities. It said officers of "various PNG government departments" had inspected the site and "expressed satisfaction with the way in which Dome has cleaned up the site and dealt with the incident".

Mark Oakwood, a toxics campaigner with the environmental group Greenpeace, cast doubts about the worth of these assurances. He said Dome had not offered to submit the site to an independent evaluation and had declined offers of assistance from Greenpeace and the Marine Policy Institute.

"Unfortunately, the close relationship the PNG government has had with transnational mining companies leads us to believe a third-party independent evaluation is needed to provide confidence that the clean-up operation has occurred to an acceptable level," he told the *Sydney Morning Herald*.

Oakwood said the company had backed away from its original concession of cyanide levels as high as five parts per million in nearby water, but still admitted it was 0.5 parts per million. This far exceeded safe levels, he said. US federal regulations deemed 0.2 parts per million as the upper limit for human consumption, while fish would still die at 0.1 parts per million. Moreover, according to Oakwood, the chemicals the company had used to neutralise the cyanide, including ferrous sulphate, still enabled the cyanide to remain in the ecosystem, where it could be passed up the food chain.

Dome Resources is a relatively small mining company, with the medium-sized Tolukuma project its major asset. For the year ended June 30, 1999 it reported an after-tax profit of \$5.97 million, up 30 percent on the previous year. It extracted almost 80,000 ounces of gold during the year and about twice that amount of silver—all from underground mining. The Tolukuma mine is expected to last only six more years, but Dome has extensive exploration rights throughout the nearby region.

In January, a South African company, Durban Roodeport Deep, a 19.9 percent shareholder in Dome, announced a takeover offer for Dome, helping to boost Dome's share price from about 20 cents to 30 cents. Much is at stake personally for Dome's directors. As at June last year, Michael Silver held nearly seven million shares in Dome and

Charles Mostert, one of the South African directors, held almost 29 million.

On the news of the spill, Dome's share price fell only slightly 0.5 cents to 31.5 cents. Investors were likely to be nervous because Esmeralda, the company involved in the European contamination, has since been placed in voluntary administration, facing multi-million dollar compensation claims. Esmeralda's liquidation may leave those affected without any legal redress.

Successive Australian governments have defended the right of Australian companies to flout international environmental and safety standards in their global operations. Despite the scale of the Esmeralda disaster, Environment Minister Robert Hill rejected calls to impose tougher rules on Australian mining companies operating overseas.

In the case of PNG, a former Australian colony, large mining companies such as BHP and Rio Tinto, have operated with impunity for decades, extracting billions of dollars of gold, silver, copper, oil and other minerals with little regard for the health, living standards and well-being of local people.

One of the most notorious examples of environmental destruction concerns BHP's Ok Tedi gold, silver and copper mine. It has devastated the waters and farming lands of the Ok Tedi and Fly River system by dumping toxic mine tailings into the rivers over the past two decades. At BHP's behest, the PNG parliament passed special legislation in 1996 to outlaw a \$4 billion compensation case in the Australian courts. The PNG government and BHP then pressured the local landowners to accept a settlement worth less than 1 percent of that figure, and BHP is now seeking to close the mine to escape further liability.



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