In 1995 I was intrigued to learn that an American transnational mining company called Freeport-McMoRan was operating the largest gold mine on Earth, not in Africa but in the heart of West Papua. My interest increased when I discovered that little was known of this company with the astonishing asset. Within a month of my “discovery” a report accusing the Indonesian military and Freeport security of perpetrating human rights violations within and around the company’s concession was made public and turned the world’s attention to the mine. Allegations of human rights violations were quickly followed by accusations of escalating social problems and gross environmental degradation associated with the company’s operation. Under intense pressure Freeport launched an extraordinary program of damage control. Attempting to address all criticisms, it threatened legal action against its most vocal critics (including academics and journalists), made an “infomercial,” threatened to withdraw university funding, and took out a $175,000 full page ad in the New York Times that earned it the New York Times’ Academic Freedom Award for 1995 under the title “No financial folly goes unappreciated.”

Despite the media attention, information about the company’s operation in West Papua was difficult to come by as free and open access to the area was forbidden by Freeport’s security department in league with the Indonesian military. While I was attempting to research the company, it quickly became obvious that journalist John McBeth had close links with Freeport. Contacting McBeth in Jakarta, I explained to him that I was researching the company with a view to writing an academic paper but had been unsuccessful in opening up communications with a company representative. Informing him that the project would be completed with or without Freeport’s input, I stressed that I believed that it was in the company’s interest to become involved. Within the week I received a phone call from Paul Murphy, who was then executive vice president and director of PT Freeport Indonesia, stating that he had two hours before he was due to board a plane for Singapore and the time...
was now mine to ask anything I wanted. At the end of our conversation Murphy expressed some surprise that I had not "asked any of the hard questions"—meaning that we had not touched on the sensitive issue of alleged human rights violations. There were two reasons for this: I had read enough of Freeport's repudiations of the allegations to believe that I knew what his official response would be, but, more important, I simply was not prepared for the phone call. I needed time to consider just what and how I was going to question Murphy. The contact, however, was significant, for it provided me with a direct line of communication with the company at the highest level. It also indicated the extraordinary degree of company sensitivity to the recent interest in its operation in West Papua. While it gave me an appreciation of the thoroughness of Freeport, something I would come to appreciate more fully later, it also made me wonder if Freeport did indeed have something to hide.

A few months later I met Paul Murphy in Canberra and had another opportunity to speak with him. When I questioned him about the parent company's decision in 1991 to sell 10 percent of the West Papuan operation to a Suharto favorite, Aburizal Bakrie of Bakrie Brothers, Murphy informed me that the company had nothing to hide and that all details of the share transaction were in the company's annual reports. He added that even for a person such as himself the reports were hard to read. It was my experience that while annual reports could be boring and at times complicated, usually they were difficult to follow only when the company intended them to be so. In the case of the Bakrie share deal, the Freeport-McMoRan annual reports never mentioned the Indonesian partner by name, and the relevant share transactions were spread over a couple of reports so that the information was difficult to piece together.

During the interview Murphy casually recounted the decision to sell to Bakrie, describing how Ginandjar Kartasamita, then the mining minister and a close Suharto associate, informed the company that the government required Freeport-McMoRan to sell 10 percent of its holding in its operating subsidiary in West Papua to an Indonesian entity immediately. Ginandjar also told Freeport that he would send three potential partners from which Freeport could choose. Murphy's understanding was that the company never had a choice, for Bakrie alone arrived in Louisiana, informing Freeport that he was the partner it was looking for.

During the Indonesian investigation in 1999 into the deal between Freeport and Bakrie and the relationship between the company and the minister, all parties defended themselves against allegations of corruption and collusion by claiming that the sale of shares to Bakrie was purely
an economic decision made by the company without interference from
the government. In 1996, with Suharto firmly ensconced in the Merdeka
Palace, Murphy would have thought little of our conversation; however,
in light of the overthrow of the dictator and the subsequent political
attacks on the company within Indonesia, what Murphy related back in
1996 was a potentially damaging piece of information, for it contradicted
statements by the minister, the company, and the businessman to the
Indonesian authorities.

In early 1996 the kidnapping by the nationalist group the OPM
(Organisasi Papua Merdeka; Free Papua Movement) of World Wildlife
Fund researchers near the Freeport concession, together with riots that
broke out in the company town of Tembagapura and in Timika,
increased the pressure for the company to open its operation to outside
scrutiny. At the same time channels of communication with the now curi-
ous world were opening up in West Papua for the first time. Internet
access in the capital of Jayapura, together with the ability of nongovern-
ment organization (NGOs) to gain access to the traditional landowners
within the Freeport concession, meant that information was beginning
to leak out. By late 1996 it had become an unstoppable flood, although
by this time I had finished my original paper. What I had discovered was
a company that appeared to have much to hide: questionable direct links
to President Suharto and his closest associates; a relationship with the
Indonesian military that saw the company supporting the institution that
committed gross human rights violations in the company’s concession;
a troubled and damaging relationship with the traditional landowners;
and environmental damage on a scale that eclipsed the nearby Ok Tedi
and Bougainville mines.

In early 1997 I decided that I would return to the subject of Freeport
for my doctorate. I was able to reestablish links with those who had
helped me during my initial research period. Edward Pressman from the
company’s Community Affairs Department in Jakarta now became my
contact. I was also assisted by a number of nongovernment organizations
closely watching Freeport that were happy to provide information, as
were individuals living in West Papua. I also had contact with West
Papuan exiles residing in Australia, individuals and groups who sup-
ported calls for West Papuan independence, journalists who had been
to the area, and academics conducting research in similar fields. It
seemed that by this time Freeport was a burgeoning field of research.
Stationed in Sydney, I relied on e-mail and the Internet news groups that
had recently been established to cover Indonesian and West Papuan
affairs. While it had taken a year for the original 1994–1995 accusations
of human rights violations to surface, by 1997 information technology meant that one could read daily of events in the hitherto isolated province.

I knew that to achieve my goal it was essential to visit the mining concession. While it was obvious that such a trip was needed to interview people who worked and lived in the area, an equally significant motivation was curiosity. I wanted to see this extraordinary mine, which often elicited surprising displays of passion from otherwise seemingly reasonable and rational individuals. I also wanted to see the equatorial glacier, the extent of destruction associated with the tailings, the model American towns surrounded by jungle, and the villages I had so often read about. I also wished to speak with Josepha Alomang, one of two traditional landowners (the other being Tom Beanal, whom I had already met), who had, with the assistance of nongovernment organizations, launched billion-dollar lawsuits against the company in the United States. Basically, I wanted to see what life was like in the Freeport concession, for while information was flowing out of the area, few photos ever surfaced, and those that did served only to increase my curiosity rather than satisfy it.

The problem I faced was that I could visit the mine only with the company's permission. I needed a sponsoring letter from the company to get a visa for Timika from the Indonesian embassy in Sydney. Early in the research program I had begun to request permission from Freeport to visit the site. My argument remained the same: whether or not the company assisted me, I would complete the project, and it was in its best interests to be involved. Although I was continually assured that such a trip was possible, I often despaired, as the opportunity never seemed to arise.

By early 1998 I knew that to move forward with research I would have to go to Jakarta and the mine. Taking the initiative, I informed Pressman that I would be in Jakarta in September and October 1998 and suggested that this would be an ideal opportunity for a visit to the concession. I was only later to learn that while I was investigating Freeport, it was investigating me.

Although I had booked my flight to Jakarta in early 1998 while Suharto was still in power, the escalating violence in the capital during the next few months often made me wonder if I should postpone my trip. However, once the company agreed to allow me access to the concession, cancellation was no longer an option. Suharto's forced resignation in May 1998 meant my visit to Jakarta in September was timed perfectly—not, I hasten to add, through any great foresight of my own.
In Jakarta I interviewed a number of former ministers of the Suharto regime who were happy to speak about the past. Their interviews afforded me greater insight into the relationship between Suharto and Freeport and the context in which the company operated in Indonesia. They also reaffirmed the company's importance to the New Order regime.

Freeport flew me from Jakarta to Timika and allowed me to make a number of visits to the mine, the mill, the environmental center, and the company towns of Tembagapura and Kuala Kencana. It also arranged for me to interview key staff. After spending time in the concession, I was free to travel to other areas of the province. On my return to Timika the company flew me back to Jakarta. With a couple of notable exceptions, I found that the people I interviewed or spoke with from the Community Affairs Department were committed to improving the relationship between Freeport and the local community. They acknowledged that they had mishandled things in the past, accepted that they had a lot of ground to cover and a good many years of mistrust to overcome, and spoke hesitantly of the future. Much of what the department was doing appeared to be trial and error with a focus on fewer errors in the future. Frustration was commonly expressed—frustration with other departments within the company, the traditional landowners, the Indonesian government, the difficulty of their work, and the expectations placed upon them from the head office. However, the main criticism was held for the NGOs that attacked the company over its community relations while remaining unwilling to become active participants in implementing development policies. The Community Affairs Department seemed to expect that no matter how good a job it did, no matter how well it presented its case, those who came to visit and report on the company would not be sympathetic to the difficulties it was facing and would inevitably be critical. This historical reality added to their frustration. In contrast, the people I spoke with from the Environmental Department appeared professionally confident.

The poverty of the traditional landowners around Timika was not surprising, for much had been made of it by the NGOs. It seemed reasonably typical of a head-on collision between a modern Western culture and a traditional one; the collision left a trail of pain, destruction, and anger in its wake. The elegance of the company's Sheraton Hotel and the Western dormitory-style town of Kuala Kencana with its gym, air-conditioned shopping center, swimming pool, schools, office blocks, and well-set-out garden suburbs and park lands contrasted starkly with Kwamki
Lama. Separated by just a few kilometers of jungle, the village of Kwamki Lama was built by the company and the government to house Papuans moved from their traditional lands in the concession. It was a desolate place devoid of any redeeming feature and characterized by disintegrating concrete-block houses, children with distended stomachs, and open drains. No Indonesians seemed to live in Kwamki Lama, and my Indonesian taxi driver, who was reluctant to take me there in the first place but had been persuaded by the number of Papuans who happily jumped into the taxi after me to make sure I found Beanal’s house, abandoned me there after we had all alighted in the village. Perhaps an indication of his discomfort was that he didn’t even wait for his fare—something rarely witnessed in Indonesia. In the highlands, although the company town of Tembagapura was less salubrious than Kuala Kencana, it still seemed like the height of luxury compared to the traditional highland villages around its perimeter. The original inhabitants expressed both frustration and anger at what they viewed as Freeport’s disrespect and exploitation of themselves and their land. While some people wanted the company to leave, many others, most notably from the younger generation, lived in hope of a Freeport job and all the benefits that that promised. It was clear that the traditions and support networks of the community were disintegrating, especially in the ramshackle growth town in the lowlands of Timika.

While the poverty was not surprising, nothing prepared me for the astonishing natural beauty of this land. Standing in the lowland jungles near Timika on a clear day, one could look up to the interior highlands to see the equatorial glacier sparkling in the late afternoon sun. Lowering one’s gaze, however, left one focusing on a forest of dead trees and barren land buried beneath meters of ugly gray tailings. The juxtaposition of incredible natural beauty and rampant environmental destruction, of Western development and appalling poverty, assaulted the senses.

It is not hard to see why Bechtel, the engineering giant, considered the Freeport project the most difficult it had undertaken. Much has been made of the terrifying access road up the mountains. Traveling along the spine of the mountains, one never quite knew whether to curse or bless the descending cloud cover. When it cleared you could not only view majestic mountain peaks as far as the eye could see, or look down toward the coast more than a hundred miles away, but you might be lucky enough to catch a glimpse of the nearby glacier. At the same time, a clear day meant that you were acutely aware of the deadly drops of thousands of feet on either side of the treacherously narrow road. When
one alights from the cable car that traverses the last leg of the journey to the Grasberg mine, the sudden change in altitude necessitates slow movements to allow the body time to acclimatize. The dramatic drop in temperature and humidity at the mill and mine (compared to that of the humid coastal plains one has left only a few hours earlier) is also a little disorientating. The lush deep green of the jungle is quickly replaced by towering black rock walls awash with moisture in the alpine region of the mine site.

From late morning onward, at the edge of the gaping hole that is the Grasberg open cut mine, cloud cover usually obscures the view to the bottom or even to the opposite side. Giant trucks operating twenty-four hours a day and monitored by satellite tracking carry 240 tonnes in their scoops; these, together with the rotation of the giant crushers standing stories high, shatter the still beauty of the dramatic and stark alpine region. Clouds drift through these isolated highland valleys as innumerable waterfalls cascade down the barren rock faces to join the mine’s gray tailings’ sludge on its way to the lowlands and the Arafura Sea.

The Indonesian military’s presence is palpable in the concession, creating and maintaining a continuous and pervasive culture of fear. Apparent boredom, coupled with a general disregard for the initial inhabitants of the land and an institutional culture notable for its absence of accountability, means that the relationship between the so-called keepers of the peace and those they are charged with protecting is characterized by a lack of mutual respect, by mistrust and antagonism. One can never ignore the military, whose formidable presence is obvious everywhere. Not only is each unit’s identifying symbols boldly and possessively displayed throughout the landscape, but the military monitors everyone’s movement within the concession through a series of posts and passes.

While I was traveling around, it became obvious that Freeport’s name was like a magic wand capable of opening many doors. Conversely, on occasion it closed a few, and I often had to work hard to establish my credentials separate from the company. Just as the military’s presence was pervasive in the concession, Freeport’s presence is central in the province. Everyone has an opinion on the company and is eager to express it once they are convinced one is not in its employ. On one occasion Freeport unwittingly came to my assistance. Because of a large collection of documentation, my baggage exceeded the prescribed weight allowance when I was about to depart the province. Finding myself up
against a seemingly unmoving public servant and having heard about the Indonesian predilection for financial sweeteners, I asked how I might overcome this vexing problem. Apart from being informed that I could go into Timika the following day and pay excess baggage rates, I was offered no joy. It appeared that I was going to miss my flight back to Jakarta and the connecting flight home. Reluctant to admit defeat, I remembered a Freeport handout in my possession. When I placed my carry-on bag with the company’s name and logo clearly printed on the side on the counter, the officious check-in clerk changed his attitude immediately. Confirming I was with the company, he ushered my bag-gage and me through to my flight without further delay.

In mid-2001 I unofficially returned to the Freeport concession and was able to work for a short time on a company-sponsored agricultural project in Banti village. This time the Indonesian consulate in Sydney refused to give me a visa to the province. The Indonesian embassy in Darwin was more accommodating: it cooperated with a local travel agent attempting to promote Timika as a travel destination—the drawing card was the Sheraton Hotel, the golf course in Kuala Kencana, and bird watching. The time on the agricultural project was personally rewarding. The employees work hard to make their project a success, for they see this as an entrée into the cash economy. Not only are they attempting to grow produce to sell back to the company, but they are cultivating a coffee plantation that they hope will be able to sell its produce on the international market. While the main area for the project is Banti village near Tembagapura, the project is meant to benefit all the highland Papuans in the concession area and has a number of outposts in surrounding villages. To visit the villages in the other valleys, the workers hitch rides on the Freeport helicopter, which has a policy of never taking off without a full payload.

Outside the hanger in Tembagapura, villagers wait patiently, sometimes for days, for a ride back to their village after they have either visited the hospital in Tembagapura or a relative in a nearby valley. When the helicopter touches down in a village, there are often a number of people wishing to return to Tembagapura. There is no timetable for the helicopter, which can work only in the early morning until cloud cover descends about 11:00 a.m.; its daily itinerary is determined by the weather and the urgency of company business. No questions are asked of the villagers hitching a ride, nor of the military, which may also take advantage of this free transport service.

One of the most complicated issues I continually confronted in my research was the contending versions of reality. Paul Murphy was correct
when he said in 1995 that much of what was written about Freeport was filled “with half truths and exaggerations and, in some cases, outright lies.” Freeport, however, is not immune to this criticism. Because many of the issues regarding the Freeport mine are emotive, there have been a great many emotive responses. In the course of this research, I found it difficult to discover the “truth” of any given situation, especially when “truth” differs with a change of perspective. This book represents my analysis and interpretation of events and conditions presented to me, and as such I am solely responsible for any errors.

Two of the most difficult areas of research were the issues of human rights violations and Freeport’s business relationships with the Indonesian elite. It is clear from only a cursory glance at the relevant chapters that I, like a number of pundits before me, have not succeeded in providing a complete picture of the company’s business dealings with the Indonesian elite or the question of the company’s involvement in human rights violations. In both cases people have been happy to pass on information but not to have their names made public, for to do so, they believe, would jeopardize their current employment or their chances of future employment. In every case I have had to make decisions whether or not to use such information.

Because of the nature of the company’s business dealings, I concede that I have probably made mistakes and would welcome a full and frank disclosure by the company of its business dealings with Indonesians during the New Order era, especially relating to its outsourcing program. I would also welcome independent investigations into the accusations of human rights violations to clear the company’s name.

All those working on Freeport acknowledge that no one person will ever be able to master the complexities of the company. I also hasten to add that it is clear to me that no one in Freeport has mastered all areas of the company either, for there appear to be not only physical but ideological divisions between the people in New Orleans, in Jakarta, and in the concession. At the time of writing there are a number of studies in progress or recently completed relating either to the company or to events in West Papua that deserve acknowledgment. Each of these studies uniquely assists in unlocking the long-held secrets of the company and the “forgotten” province. Carolyn Cook’s dissertation, “The Amung Way: The Subsistence Strategies, the Knowledge, and the Dilemma of the Tsinga Valley People in Irian Jaya, Indonesia,” explored the agricultural practices of the Amungme, the original landowning group, proposing ways they could use their traditional agro-forestry to gain the respect of outside factions and enter the market economy. John Ondawame, a
West Papuan in exile in Sydney and a traditional landowner from the Freeport concession, has recently completed an autobiography and a Ph.D. on the history of the OPM. Chris Ballard from the Australian National University was part of a group that conducted a baseline study for the company of the traditional landowning groups in 1998. Brigham Golden, a student of anthropology from Columbia, is writing his doctorate on the long-term effects of the mining company on the traditional peoples in its concession. Anthropologist Steven Feld and journalist Robert Bryce are working on a book that focuses on Freeport’s activities in the United States, comparing its home-state policies with its environmental and social policies globally. John Saltford’s doctorate on the Act of Free Choice examined official government complicity in the denial of West Papuan demands for self-determination during the sixties. Jim Elmslie completed his Ph.D. on economic development in West Papua. The book arising from his work, *Irian Jaya under the Gun: Indonesian Economic Development versus West Papuan Nationalism*, is soon to be published. Finally, both Richard Chauvel from Victoria University, Australia, and Peter King from Sydney University are writing books and papers on West Papuan independence. A number of these people have aided me greatly in my understanding of the Papuan people and the company. My apologies for those I have inadvertently failed to mention.

In 1995 I naively aspired to know everything there was to know about the company’s operations. Some time ago I willingly, and with a great sense of relief, conceded defeat. What follows is what I have learned.

**A NOTE ON USAGE**

There are three main companies in the Freeport group: Freeport-McMoRan which is incorporated in the United States and was the parent company eclipsed by its subsidiary; Freeport-McMoRan Copper and Gold, which is currently the main company in the group and the parent company of the group’s operating subsidiary in West Papua, PT Freeport Indonesia. To distinguish between the two major companies, where necessary PT Freeport Indonesia will be referred to simply as Freeport, and Freeport-McMoRan Copper and Gold will be referred to either by its full name or as Freeport-McMoRan.

When it comes to figures relating to the company’s operations, where possible, the company’s own official documents have been used. All dollar amounts are in U.S. currency unless otherwise stated.
The name used in reference to the western half of the New Guinea island indicates a political preference or orientation. West New Guinea was the Dutch name for the area until the Indonesians named it Irian Barat after the Act of Free Choice in 1969. In 1972, during the opening of the Freeport mine by Suharto, the president changed the province’s name to Irian Jaya. In 1999 President Wahid, in response to mounting pressure for independence from the province and in an attempt to appease dissent, declared that the province would be called Papua. This name change has not, at the time of writing, been passed by the parliament. The traditional peoples call their homeland West Papua, which was the name given to it in 1961 when the Dutch declared its intention of awarding the nation its independence. Within this book, I will refer to this area as West Papua.

The Suharto government did not like to make any distinction between the ethnic groups that made up the state of Indonesia; therefore it did not acknowledge any group as West Papuan, Papuan, or Melanesian, but rather as Irianese—the Indonesian inhabitants of the Indonesian province. The terms “West Papuan,” “Papuan,” and “Melanesian” were illegal under Suharto, with their use being associated with the separatist movement or what the government referred to as “troublemakers.” In this book, where necessary, the words “Melanesian” and “Papuan” will be used to differentiate the indigenous peoples of the province from those originating in other parts of the archipelago. The latter will usually be referred to as Indonesian.
Freeport’s mining operation in West Papua.