Chapter 3

No more walkabout long Chinatown: Asian involvement in the economic and political process

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In the 1960s, Solomon Islander Fred Maedola recorded a song with Viking Records that became a classic in the Pacific. Written by Edwin Sitori, it was called *Walkabout Long Chinatown*, and it described lyrically the delights of wandering through Honiara's Chinatown. Sadly, the old ramshackle Chinatown has disappeared, burnt to the ground during two days of rioting in April 2006 after the election of Snyder Rini as the eighth prime minister of the troubled nation. Chinatown was a short distance from the centre of modern Honiara. It was a homely place on the banks of Mataniko River, where rural Solomon Islanders felt less intimidated than in the air-conditioned specialist shops downtown; it was close to the main hospital, close to the central market and not far from the main wharves. Constructed when the capital shifted from bombed-out Tulagi to what became Honiara as the new town grew into a bustling city of more than 60,000 people, Chinatown remained the centre of *Waku* activities. *Waku* is the Solomon Islands Pijin name for the increasingly diverse local Asian community. It was used originally self-descriptively by Chinese residents (the only Asians in the early years) and derived from a Cantonese phrase '*wah kiu*', which translates literally as 'residing outside', but is better glossed as 'expatriate' or 'overseas Chinese'. In Mandarin, the phrase is '*wai jū*'. It was adopted by Solomon Islanders to describe the Chinese and now is used more widely for all Asians.¹

Asians have played a large role in the economy for several decades and, more recently, some have become involved in politics. Some Asians

participated in corruption that helped destabilise the government in the decades leading up to 1998, when the ‘crisis years’ began. During the crisis years (1998–2003), some *Waku* elements prospered through duty remissions and special deals. The fishery and forestry audit reports presented to parliament in October 2005 show clearly that Japanese, South Korean and Malaysian companies took advantage of the disturbed situation to increase their plunder of the nation’s natural resources. The Regional Assistance Mission to Solomon Islands (RAMSI), which arrived in mid 2003, is intent on exposing corruption and enforcing accountability, but so far the emphasis is on seeking out corrupt indigenous officials. RAMSI has not tackled the illegal operations of the largely Asian-controlled foreign companies. The April 2006 devastation that destroyed one-quarter of the commercial premises in Honiara was targeted at the Chinese. The underlying dynamic tensions are, however, much wider, and include large-scale corrupt business practices by Japanese, Korean, Taiwanese, Malaysian and Philippine companies as well as by the diverse local Chinese community.

This chapter is not meant to be critical of the Chinese or wider Asian communities. As I will indicate below, many Chinese have been good Solomon Islands citizens for decades. Even the rioters recognised this when they specifically targeted individual Chinese stores and businesses while pointedly sparing others. Some analysis will be tempted to use an easy, broad brush to condemn ‘the Chinese’ or ‘the *Waku*’ as a whole. This is not only counterproductive, it is an over-simplification and distortion of the situation on the ground. What this chapter does discuss is corruption and the groups and companies most involved. There is no doubt that some elements of the *Waku* community are heavily involved in corruption, but so are political leaders and ordinary rural people—even if, in the main, the latter are unhappy, silent bystanders watching a cancerous growth that they know is wrong and is damaging their nation. The April 2006 upwelling of violence was a manifestation of trauma lurking just below the surface. There was no real attempt at cultural reconciliation after the end of the crisis years, which left many old wounds barely covered and open to infection.

The crisis years were not directly about corruption; however, everyone knew that certain politicians and public servants were ‘on the take’, although they felt helpless to do anything about it. The violence that surfaced between 1998 and 2003 was related mainly to antagonisms between two ethnic

groups, the people of Guadalcanal and Malaita Provinces, and involved some, certainly not all, of the people from these provinces. Many of the participants were young, disenchanting males who could see no future for themselves and who reacted aggressively, aided and abetted by some of their leaders who should have known better. At the base of the tension was economic inequality, which included corruption but was much wider and covered overdevelopment without adequate compensation or consultation, and underdevelopment with little thought to the consequences (Moore 2004; Fraenkel 2004).

Although there are long-term smouldering resentments against the economic hold of the 'old' Chinese citizens, indigenous Solomon Islanders regard them very differently from the more recent Chinese residents and citizens, who are mostly from mainland China. The old Chinese families see with different eyes from the 'new' Chinese and ordinary Solomon Islanders know this. They belong in a way that the Gilbertese immigrant community also belongs—both are relics of British colonialism and are now part of the modern nation.

Politicians have blamed the Republic of China for its dollar diplomacy and the media has made much of the Taiwanese connection to the Solomon Islands. It would be a mistake to suggest that there is a large Taiwanese element in the local *Waku* community or that the *Waku* have benefitted from this corrupt diplomacy. A rogue *Waku* element certainly exists, but it stretches across the various Asian communities. The real beneficiaries of Taiwanese largess have been indigenous Solomon Islands politicians, who should shoulder the blame for the disgraceful burning and looting that took place in Chinatown. The underlying question is whether any one indigenous ethnic group orchestrated the unrest, and whether the remnants of the Malaita Eagle Force (MEF) are behind the burning and looting of Chinatown and other Chinese business ventures. The arrest of Charles Dausabea, Nelson Ne'e and Alex Bartlett for their involvement in the riots suggests some link to elements from Malaita, although not to the defunct MEF.²

The April 2006 riots were partly premeditated. The attacks were strategically targeted and clues existed before the outbreak that should have alerted the police to possible trouble. The police commissioner's lack of prior intelligence and seeming lack of an emergency plan to deal with what was always going to be a potentially explosive day added to the poor

performance of the RAMSI police, and their lack of coordination with the local police indicates that long-term changes will be necessary if the RAMSI operation is to retain credibility. This chapter argues that *Waku* business interests and their corrupt influence on the political process are at the heart of the troubles in Solomon Islands. Although Chinese citizens and residents are not entirely innocent of involvement, they are not central to the corruption. Solomon Islanders watched helplessly for 20 years as corruption and government mismanagement increased; they were forced to live through the 1998–2003 crisis years, and then the indignity of an imported administrative and police apparatus. Their discontent boiled over after the post-election parliamentary vote for the prime ministership and the poorly handled situation in parliament. There was something very ‘Solomon’ about their reaction: despite the massive destruction, no one was killed; the disturbance was focused almost totally on Honiara; and, in a strange way, the riot and the related looting unified all ethnic groups. This chapter looks first at the history of the Chinese in the Solomon Islands, then at wider Asian business interests and connections with corruption. The final section tries to understand the riots and draw conclusions.

Waku, business and corruption

The British Solomon Islands Protectorate was declared in 1893 and a small administration established in 1897. In 1908, Resident Commissioner, Charles Woodford, reported that although there were none in the protectorate at that time, during the 1890s and earlier in the 1900s there had been about 10 Japanese and Filipinos employed in the Solomons pearl-fishing industry. Single Chinese had been introduced via German New Guinea as cooks and gardeners, but most stayed for only six or 12 months. Woodford’s explanation of their transitory behaviour was that they ‘become discontented as they find no opportunity here of satisfying their desire for sexual intercourse’, and that they were also looking for a back door into Australia (Woodford 1908).

More concerted moves to bring Chinese into the territory of the Western Pacific High Commission in 1908 came to nothing. This was due to antagonism from Boers and the British public to Chinese labourers taken to the mines of the Transvaal between 1904 and 1907, which led to

the destruction of the unionist government in Britain in the 1906 general election. The anti-Chinese ripple flowed through into the British Pacific. The new Australian government also expressed an aversion to Asian migrants and did not want any in neighbouring colonies. Australia did its best to ensure that there were none in British New Guinea (Australian Papua from 1906). Then in 1910, the Colonial Office declined to allow Indian labour to be imported into the Solomon Islands and, two years later, also said no to similar plans to import Javanese. Lever's Pacific Plantations Limited also failed when it advocated the use of Chinese labourers during the 1910s and 1920s. There were exceptions in the Pacific: Chinese worked phosphate deposits on Nauru and Ocean Islands and plantations in Samoa; and New Zealand, short of labour, allowed Chinese immigrants entry after the 1918 influenza epidemic (Laracy 1974; Wilson et al. 1990; Meeke 1910).

The first Chinese tradesmen seem to have reached the protectorate in 1910. By 1913, Ah Choi had applied for a land lease on Kokona Island in the Gela Group, and, in 1914, Kwong Cheong had a trading business at Tulagi, the colonial capital. They probably came south from Rabaul, where the Germans had allowed Chinese immigration. In 1914, there were about 1,000 Chinese living in or near Rabaul.

The protectorate's Chinese community slowly increased, from 55 in 1920 to 90 in 1925, and to 164 in 1931 and 193 in 1933 (Laracy 1974; Woodford 1911; Bell 1927). Most stayed only for the duration of their contracts, but some used their savings and connections in Rabaul, Hong Kong and Sydney to import trade goods and establish stores. By 1918, there were 67 Chinese in Tulagi, where the protectorate's largest Chinatown was well established by the 1920s and 1930s, replete with trade stores and restaurants. They were allowed to set up stores on Isabel, at Gizo and in the Shortlands in the north, and at Auki on Malaita. Chinese also operated ships on trading circuits around the protectorate. Numbers had dropped to 180 by 1941, probably because the administration attempted to tighten entry requirements in the 1920s and early 1930s; the Hong Kong government did not issue passports and they were difficult to obtain in China. The resident commissioner had total control of all entries without passports and, in 1928, a new regulation levied a bond of not less than £20 on jobless immigrants. Restrictions were made even stricter the next year, but during the early 1930s a new high commissioner arrived, who had previously worked in Hong Kong and had

higher regard for Chinese. All restraints on Chinese were lifted in 1933, although they were still not allowed to obtain freehold land. The major merchant companies—W.R. Carpenters, Burns Philp and Lever's Pacific Plantations—did not want competition from Chinese merchants and raised the usual complaints about their corrupting influence on the natives through gambling, alcohol and vice. The British attitude to the Chinese was made fairly clear during World War II when foreign nationals were evacuated but the Chinese were left behind. Some joined the Coastwatchers, others managed to take ship to Sydney or Noumea and the rest hid in villages for the duration of the war (Wilson et al. 1990; Laracy 1974; Bennett 1987).

The Chinese community increased after the war and began to integrate into colonial society in the late 1940s, 1950s and 1960s, adopting Christianity, establishing a Chinese-language school, taking out British citizenship and deliberately becoming part of Solomon Islands society. They grew to control much of the retail trade in the country and became dominant in Honiara and in the main provincial towns. One of the first signs of this change to permanent-residence status was the establishment of Honiara's Chinese Chung Wah School, organised and financed by Chinese residents and opened officially by Acting Resident Commissioner, J.D.A. Germond, on 15 October 1949. In the mornings, teaching was in English and, in the afternoons, in Cantonese. The first professional teacher was Fung Shiu Kat from Hong Kong, who arrived in July 1952 through arrangements between the Anglican Melanesia Mission and the Bishop of Hong Kong. The school went from strength to strength and today is one of the major schools in Honiara (PIM 1949, 1952).

In the early 1950s there were about 300 Chinese living in the protectorate, all involved in technical and commercial services. The president of the Chinese community in Honiara in the 1950s, and until his return to Hong Kong in 1962, was Chan Chee, general manager of Kwan How Yuan Pty Ltd, who was fluent in English. Lai Yuen Wo succeeded him. In the 1950s and 1960s, many Chinese residents applied for British citizenship. This was easier if they were Christian, and many became Roman Catholics, encouraged by Fathers van Mechlin and Leemans. In October 1961, 43 Chinese from Chinatown were christened, watched by another 60 Chinese Catholics in the congregation. A formal British Solomon Islands Chinese Association was formed in November 1965, with Peter Lai as president, James Wang

as chairman, C.K. Ching as vice-chairman, Henry Quan and K.H. Ip as secretaries and Chow Leong as treasurer. Stephen Yee, Leong Fat and Paul Sze-tu took responsibility for social and educational activities.³

In the 1959 census, there were 366 Chinese in the Solomon Islands and another 100 or so in the 'mixed' category. In 1970, there were 577 Chinese and a growing number in the mixed category. The Chinese numbers sank to 452 in 1976, because some families left before independence, and had declined again by the time of the 1986 census to 342 (Solomon Islands Government 2002:32). Honiara's Chinatown of the 1960s and 1970s was the classic two-sided street of wooden red, green and blue trade stores with tin roofs and crossed-frame railing verandahs. Business was conducted behind counters in a central room and there were living quarters at the back (Laracy 1974). The same style of Chinatown existed at Gizo and Auki, with business links to the Honiara shops. The children of the first generation began to branch out into other economic ventures: they supplied logging camps, marketed trochus shell and *bêche-de-mer* and began specialist shops in the central business district along Mendana Avenue. There were always tensions because Solomon Islanders resented the Chinese stranglehold on retail and wholesale business, but they worked hard and served the nation and themselves reasonably well. These old Chinese prospered under the later decades of the British administration, which operated in a fairly non-corrupt and straightforward manner. The years around independence were a period of uncertainty about their future welcome, but many families stuck it out and prospered, becoming leading hoteliers and owning a wide range of businesses.

During the late 1980s and 1990s, a significant number of 'new' Chinese settled in the Solomon Islands, adding to the already established Chinese community. Many of this new generation are from mainland China and Malaysia. Far from espousing communism, many were refugees from the ideology who wanted to begin business ventures, become citizens and, in the long term, move on to Australia and New Zealand. They have worked hard, been able to send their children overseas for education and many have become good citizens. Some of the new Chinese, however, do not try to become part of local society: they do not learn Pijin, their shops are hot and lack comfort and they seem not to realise that donating to charities and so on is part of their obligations and useful grease to make

the local social wheels go round. There is an element of disrespect for their customers, which is exacerbated when they sell cheap stock and refuse to honour warranty and basic quality obligations. Many Chinese are involved in small-scale corruption, bribing their way through customs procedures and generally greasing their paths with 'small' money just as the old Chinese learnt to do since independence. The new Chinese often run small businesses with indigenous Solomon Islanders as 'sleeping partners', and have begun moving (illegally) into bus and taxi businesses. Some Chinese businesses also commit minor abuses of commercial and health regulations, ignoring import regulations by bringing in food items with the signage only in Chinese and Bahasa Indonesia, leaving Solomon Islanders to scratch their heads about the content of the items they are buying. Many new Chinese wanted to become citizens before the statutory 10-year period (for the local advantages and as a gateway into Australia and New Zealand) and fostered a lucrative market in quick passports by paying bribes to members of the Citizenship Committee. They stayed during the crisis years, became richer and in truth were generous to the government and the people during the hard times, even if ultimately for their own purposes. By dint of hard work and subterfuge, the new Chinese were incorporated rapidly into the economy and grafted themselves onto the old *Waku* community.

The old and now the new Chinese families are well established and integrated into urban society. Some of the men have married indigenous Solomon Islanders while maintaining their cultural core and networks. Generally, they stay away from politics. Only two old *Waku* families have gone into politics: the Chan family, of Chinese descent, and the Sato family, of Japanese origin. Accountant and long-term resident Robert Goh also had considerable influence as an adviser to the government of Sir Allan Kemakeza (2001–06).

The Chinese families were the only *Waku* targeted in the burning and looting of April 2006. There was indigenous resentment against the Chinese for controlling the retail outlets, but they sold the right products at low prices and provided about 2,000 jobs in Honiara and more in other urban centres. One image gained from a stroll through Chinatown or along Mendana Avenue was of the bored Chinese *Misis* on her high chair near the cash register, surveying the scene like a tennis umpire while Solomon Islanders did the serving. The Chinese controlled a huge proportion of

the retail trade (probably about 70–80 per cent) and the economy could not function without them. How much they have blocked indigenous entrepreneurs from emerging is difficult to calculate, but when I have asked Solomon Islanders why they shop in Chinese stores rather than supporting indigenous business, the usual answer is that the stock is cheaper and more varied.

Other Asian business groups

How many Asians live in Honiara is hard to estimate. The 1999 census recorded 464 Chinese in the whole country, plus 2,870 individuals of ‘mixed’ ancestry, many of whom would have been part-Chinese. The 1999 census cloaked the remaining Asian groups, numbering 1,131, under ‘other’ (Solomon Islands Government 2002:32). I was present at Chinese New Year celebrations at the Pacific Casino Hotel in 2005 along with about 1,000 Asians, and there were celebrations at other hotels; however, this special day would have attracted visitors from other provinces.

The real hard-core corruption has come not from the old or new Chinese, but from Malaysian companies (many of which are connected to ethnic Chinese) and South Korean and Japanese interests. The accounts of Solomon Islands provinces and the national government have not been audited properly since the late 1980s. One of RAMSI’s tasks has been to employ a large posse of auditors working from the Office of the Auditor-General. The findings for the Department of Forestry, Environment and Conservation and the Department of Fisheries and Marine Resources were presented to the national parliament in October 2005. They make interesting reading and provide a useful means for assessing more general patterns in the troubled nation.

Logging

Solomon Islands’ abundant hardwood forests began to be exploited commercially in the 1920s (Bennett 2000). The demand for the protectorate’s timbers picked up in the 1960s and, by the late 1970s, timber was a major component of gross national product (GNP); however, less than 230,000 cubic metres was cut each year, well below the sustainable level,

considered to be 325,000 cubic metres per annum. Most of the logging was carried out in Western Province and 90 per cent was exported, the majority as unprocessed logs. The early phase of timber exploitation was on government land or customary land leased by the government. The logging industry in the 1960s was dominated by Levers Pacific Timbers Ltd, which was a subsidiary of the United Africa Company (Timber) Ltd; an Australian company Allardyce Lumber Co., which also operated in Sarawak; and Kalena Timber Co. Ltd from the United States. Levers, the largest of the early companies, responsible for two-thirds to three-quarters of the logging, withdrew from the Solomon Islands in 1986 because of protests about its operations on New Georgia.

After independence in 1978, and particularly under the first Mamaloni government (1981–84), the logging focus changed to Asian companies, mainly from Malaysia, and the use of customary lands, which made up about 87 per cent of the total land area of the country. No longer able to obtain whole hardwood logs at home, Asian loggers moved into Solomon Islands (and Papua New Guinea), cutting down trees at an unbelievable rate. The Forestry Division, provincial governments and area councils did

Figure 3.1 Solomon Islands: log production, 1963–94 ('000 cubic metres)

Source: Frazer, I., 1997a. 'Resource extraction and the postcolonial state in Solomon Islands', in R.F. Watters and T.G. McGee (eds), *Asia-Pacific New Geographies of the Pacific Rim*, Hurst and Co., London:328.

not have the resources to monitor and police logging. Loggers moved into Guadalcanal, Malaita and Makira-Ulawa provinces. The huge South Korean Hyundai Group set up the Hyundai Timber Company and began logging on Guadalcanal in 1983. Eagon Resources Development Ltd, another large South Korean company, set up on Choiseul Island in 1989. Malaysian companies moved in from 1991. Ian Frazer's figures suggest that 75 per cent of the log export industry in the 1990s was controlled by eight foreign companies, mainly from Malaysia, while Hyundai and Eagon controlled about 14 per cent. Other new, smaller companies also arrived, but many were undercapitalised and their output was comparatively slight. These Asian companies often operated corruptly, putting pressure on and providing monetary incentives for local officials. They developed close relationships with politicians and forged lucrative agreements with local companies to use their licence entitlements. Golden Springs International was one of these, buying local companies and using their licence concessions. In 1988, the ombudsman investigated Hyundai's Guadalcanal operations and Kayuken Pacific Ltd's Malaita operations, reporting most unfavourably. Asian companies continued to move to new areas, for instance Hyundai transferred to Vella Lavella (along with Allardyce), undertaking the first large-scale logging of the island. Licences for 1990 allowed 924,000 cubic metres to be harvested, which increased to 1.2 million cubic metres in 1992 and 3.3 million cubic metres in 1994 (Frazer 1997b; Dauvergne 1998:135–57).

By 1993–94, timber was providing 56 per cent of the value of exports from Solomon Islands, and about 35 per cent of gross domestic product (GDP). World prices reached US\$386 per cubic metre in 1993, which encouraged an increase in the volume of logs exported to 624,000 cubic metres in 1994 and to 850,000 cubic metres in 1995. In 1990, timber exports were worth SI\$60 million, but by 1996 they were almost six times higher at SI\$349 million. In the years just before the crisis began in 1998, the Solomon Islands government depended on logging for 20 per cent of its revenue and 50 per cent of its export earnings. The Forestry Department estimated that of a total land area of 2.8 million hectares, 2,201,100 hectares (78.6 per cent) was forest, but about only 300,000 hectares (7.3 per cent) was easily available for commercial exploitation; the rest was too steep, inaccessible or in some way protected.⁴ Eighty per cent of this available forest was customary owned. The rate of logging is clearly unsustainable and predictions are that, by 2010–15,

all commercially exploitable land will have been cleared of forest. So far, only limited reforestation has occurred, and the long-term prognosis is bleak. Opposition from rural people to large-scale logging began in the 1970s, but the easy money continues to lure many customary landowners. Small local milling operations are now common, but they can never generate the huge revenues of whole-log exports. A few governments, particularly those of Francis Billy Hilly (1993–94) and Bartholomew Ulufa'alu (1997–2000), attempted to halt the rape of the forests, but they failed miserably against the combined power of the logging interests and their political cronies. Calculations of the revenue leakage in 1993 suggested that US\$41 million was forgone (Moore 2004:75–7; Frazer 1997a:329 and Table 20.2).

Logging exports dropped slightly during the crisis years, continuing in areas away from the conflict. Afterwards, logging was the only growth industry, beginning to increase in 2003 with exports reaching 1,043,150 cubic metres in 2004, a 46.1 per cent increase in 12 months. Of that production, 68.3 per cent was in Western Province, 22.8 per cent in Isabel Province, 5.5 per cent in Choiseul Province and 3.5 per cent in other provinces (Hou 2002; Central Bank of Solomon Islands 2004:17). The same Korean and Malaysian companies are involved. The government remains

Figure 3.2 Solomon Islands: log volume and export prices, 1995–2004
(‘000 cubic metres, US\$)

Source: Central Bank of Solomon Islands, 2005. *Annual Report, 2005*, Central Bank of Solomon Islands, Honiara:15.

desperate for money. The customary owners see the logs as their major asset and they are willing to risk the environmental consequences and continue to sell the wealth of future generations for a quite small proportion of the profits. The current act, introduced in 1969 as the Forest and Timber Act, has been amended several times and was renamed the Forest Resources and Timber Utilisation Act in 1984. A new Forest Act was passed in 1999 by the Ulufa'alu government but was not gazetted (hence, it never became law) although some of its clauses were implemented. One significant change was the substitution of provincial governments for area councils in negotiations. Another version was presented to cabinet in 2004 but has not been enacted by parliament, deferred for further consultations with resource holders. This has left the department with outdated regulations that enable the rorting to continue.

The main fees imposed are log export taxes, royalties to landowners, provincial government fees and corporate taxes on royalty payments and profits. The agency responsible for regulating the nation's forests is the Forestry Division of the Ministry of Forests, Environment and Conservation. Log export licences and exemptions from export taxes are issued by the Ministry for Finance, the Foreign Investment Board is responsible for approving applications and setting conditions and the Division of Inland Revenue collects the taxes (Dauvergne 1998). The path is convoluted and hard to follow, which advantages foreign companies or officials trying to exploit the system. The audit report found that procedures were blatantly breached, records were poorly maintained and there was more than a suspicion that some records had been destroyed deliberately to cover fraudulent or corrupt activities (Auditor-General 2005a:46, 63). The 2005 audit report shows that SI\$99,863,335 of timber was exported during 2003–04, and SI\$39,908,862 in revenue was forgone through exemptions, which escalated by 200 per cent between 2003 and 2004. It found that SI\$4,173,910 worth of royalties from logging companies had not been collected, another SI\$654,306 were classified incorrectly in the consolidated fund and SI\$1,458,000 were diverted fraudulently as unauthorised allowances. In many cases, auditing was impossible and millions of dollars were unaccounted for. Unlawful *ex gratia* payments by the ministry were estimated at SI\$1.5 million, and there seemed to be a genuine lack of clarity about which section of the government was responsible for collecting which form of revenue (Auditor-General 2005a).

Fishing

The fishing industry has not been established as long as logging, but Solomon Islands' tuna stocks are one of the nation's most important assets, and the industry is now the largest domestic tuna-fishing industry in the southwest Pacific. A joint-venture arrangement began between Japanese company Taiyo Gyogyo and the national government, which formed Solomon Taiyo Ltd in 1972. A cannery at Noro in Western Province soon superseded the first, at Tulagi. The initial 25–75 split was gradually altered with different joint-venture agreements until, in the 1980s, Maruha Corporation (formerly Taiyo Gyogyo) of Japan held 51 per cent and the Solomon Islands government held 49 per cent. Purse-seiners, pole-and-line and long-line boats were used, originally owned mainly by Okinawans and manned by Solomon Islanders. The Solomon Islands government, working towards local ownership of the industry, established National Fisheries Development Ltd, 25 per cent of which was owned by Solomon Taiyo Ltd, but sold the ageing fleet to Canadian company British Columbia Packers Ltd. In 1990, this company re-sold to TriContinental of Singapore, a subsidiary of US TriContinental and Solomon Taiyo, trading as Tri-Marine International (Moore 2004:79–81; Frazer 1997a:326–7).

Tuna exports reached their peak in 1986–88, when the catch was more than 40 per cent of the nation's exports, outstripping timber (Frazer 1997a: Table 20.2). In the 1990s, the government issued excessive numbers of fishing licences and the industry peaked in 1995 when 56,135 tonnes of frozen, canned and smoked fish were exported. Solomon Taiyo Ltd always caused consternation in the Solomon Islands as the company recorded a profit only in two years out of 20; however, when a detailed report was commissioned into it in 1995, no evidence of transfer pricing was found. Kate Barclay, who has researched the industry, believes that the Japanese mother company used the Solomons company, representing only 5 per cent of its assets, as a pawn in much bigger moves in its relationship with the Japanese government. Contrary to this view, other evidence from inside the company suggests that the complex financial moves also cloaked transfer pricing.⁵ The remainder of the industry consists of licences for about 30 foreign-owned fishing companies (almost all of which have connections with local politicians) to take 572,500 tonnes of tuna each year. Many of

these are Taiwanese companies. During the 1990s, provincial governments began forming joint ventures with Asian fishing companies, allocating quotas within their provincial waters.

In 1997, the Ulufa'alu government's new Fisheries Act reduced the quota by 75 per cent to 120,000 tonnes per annum, intending to indigenise the industry. The plan was to sell the nation's holdings in Solomon Taiyo Ltd, but Maruhu was not cooperative and a buyer could not be found for such a seemingly unprofitable company. In 1998 the commercial fishing catch was 94,129 tonnes, worth an estimated SI\$204 million or US\$40.6 million, representing a significant sector of the economy. The total fish catch in 2004 was 28,235 tonnes, slightly down from 2003 and well within sustainable levels. When the tensions erupted, Maruhu withdrew from the whole venture, leaving the government with 100 per cent ownership of a new company, Soltai Fishing and Processing Co. Ltd. Western Province protested and was granted 45 per cent ownership, which was increased to 49 per cent in 2001 (Moore 2004:81–2).

The tuna industry has the same regulatory and revenue problems as the logging industry. The relevant act has too many loopholes and is poorly

Figure 3.3 Solomon Islands: fish production and average prices, 1995–2004 ('000 tonnes, US\$ '000 per mt)

Source: Central Bank of Solomon Islands, 2004. *Annual Report, 2004*, Central Bank of Solomon Islands, Honiara:19.

enforced, the high price of licences leaves room for corrupt practices and the size of the catch is as imperfectly known as the volume of the timber exported. The relevant legislation is the Fisheries Act 1998 and the Fisheries (Tuna Fisheries) Regulations 1999. The audit report found that fishing licence fee revenues received into consolidated revenue were SI\$4,948,923 in 2001, SI\$4,089,052 in 2002 and SI\$12,453,692 in 2003. The shortfall over the three years was SI\$37.2 million, the diversions occurring in port sampling and training accounts (SI\$3.85 million), in monies diverted from a foreign affairs account (SI\$2.7 million), unpaid fishing licences (SI\$9.3 million), under-collected fees (SI\$8.86 million), a traceable SI\$3–4 million misappropriated by staff of the ministry, plus an untraceable SI\$10 million. While some allowance needs to be taken for the general breakdown in government services during these years, the audit suggests that the fraud was systematic, and much of the public money was easily traceable to the personal bank accounts of officers of the department or those of their spouses. Fees were often collected in cash, and unofficial receipts were issued. The deputy director of fisheries had verbally amended many licence and observer fees. Not unexpectedly, the public servants involved were quite uncooperative and reluctant to provide information. The audit concluded that there had been ‘widespread misappropriation of public money’ (Auditor-General 2005b:1–22).

During the previous 20 years, an unhealthy relationship had developed between the *Waku* and various governments, particularly those connected to Solomon Mamaloni. Bart Ulufa’alu, the prime minister evicted from office by a coup in 2000, has little doubt about the connection. Speaking at The Australian National University in 2004, he described the ‘Solomon Islands underworld’

I don’t need to point fingers, those who are acquainted with Solomon Islands will already know what group it is. This particular group has been in office for some 20 years, off and on, and the aid community did not take a liking to them. And because of that, this group was isolated and therefore they moved more towards the business houses and the private sector for support. And hence they allowed the private sector, in terms of foreign investment, to come into the resource sectors of the economy, mining, forestry and fishing. So you find that the involvement of the private sector in forestry and fishing intensified, outside of the normal practice under

the colonial government and even immediately after Independence. In the 1980s the forestry sector was opened up and the fisheries sector was opened up to the private sector. And this moulded the relationship... That relationship placed the resources under threat of being exhausted, and the sustainability of the government became the bigger problem. I think this is the group that actually was working both in the political arena and the private sector arena as well as the underworld. And when the war broke out... these same groups took advantage of that, and they made a lot of money out of it (Ulufa'alu 2004).

Total domestic revenue in 2004 was SI\$497 million—36.3 per cent higher than in 2003, largely because of greater taxation compliance (ADB 2005). The two audit reports estimated that, at the very least, more than SI\$80 million that should have ended up in consolidated revenue during the early 2000s had been skimmed off by corrupt Solomon Islanders or was not paid by the foreign companies concerned. The reports are not comprehensive and it seems likely that even more money is involved. The two departments are important, but there are many more, plus the provinces, yet to be audited. Corruption also occurred through the lucrative exemptions to excise duty, and with aid money (particularly from Taiwan) skimmed off in the past five years (Moore 2004). The real dollar value of the corrupt practices since 2000 is hundreds of millions of dollars, and similar practices have gone on, to a lesser extent, since the late 1980s. The extent of illegal *Waku* practices beyond formal business dealings is unclear. In Papua New Guinea, a similar 'Asianisation' has led to the same pattern of corruption in business. It is also well known that in Papua New Guinea some recent Asian migrants are involved in illegal activities such as drug and gun running and prostitution. Presumably, the same pattern exists on a lesser scale in Solomon Islands. Leading Solomon Islands politicians have often hinted that Asian interests have interfered in the political process and the 2006 elections and the subsequent riots leave no doubt of this.

RAMSI has the unenviable task of guiding a suitable reform process for a nation of half a million people spread through nine island provinces and 190 islands. RAMSI has restored law and order and is now dealing with prosecutions of the 'big fish', while strengthening the public service and the economy (Moore 2006; DFAT 2004). The necessary legal processes to achieve convictions are so protracted that it is unlikely that the 'small fish'

will ever face the courts. In any case, Rove Prison is full and who would be left to run the public service? Much of what is necessary to fix the problem goes under the title of 'institutional strengthening', not prosecution. The ombudsman's office must be strengthened and the parliament and public service have to be made accountable. The general public also has to be educated on the consequences of accepting corrupt practices as normal procedure. The reform process is under way. The re-established Institute of Public Administration and Management, assisted by AusAID advisers, has put almost 1,000 public servants through new training programs since it began in 2004, and RAMSI has instituted many community-level education programs.

The April 2006 riots

There is not much doubt that there was an attempt at organisation of the riots. There seems to have been a core of about 30–40 agitators who led the crowd, and identifiable individuals were also responsible for setting most buildings alight. There was prior knowledge of the riot among some Solomon Islanders; the real success of the riots was, however, owed to the incompetence of the RAMSI police. There was no particular dominant ethnic element, except that Malaitans were proportionally the dominant group in Honiara. If anything, the looters were a cross-section of the urban poor across all provinces.

The crowd gathered at Parliament House turned into a riot just after 3pm on Tuesday 18 April. The announcement that Snyder Rini was the new prime minister occurred soon after midday and the trouble built up over three hours, during which various senior politicians tried to talk the mob down, to no avail. Despite the pleas of the Speaker of the House, Sir Peter Kenilorea, for the police not to use tear-gas, an attempt was made to disperse the mob with gas after stones were thrown and police vehicles were set alight. A three-hour video film exists of the scene at parliament that afternoon. Early on, the crowd was rowdy but unthreatening until the riot gear was handed out (only to RAMSI officers) and tear-gas was fired, which, according to the police, was at 3.22pm.⁶ There are several remarkable things about the video footage, clarified by my later discussion of the events with members of the crowd. The local police were totally unprotected and understandably

frightened, while the RAMSI officers wore protective jackets and eventually used clear protective shields. The resultant injuries were to the protected foreign police, which indicates what the mob thought of the relationship between the two police groups. The most telling sign of the lack of RAMSI preparedness was the absence of a megaphone, which made communications difficult. The other absence was that of the police commissioner, which the crowd took as a sign of arrogance. Had senior political figures and senior police been allowed to talk the crowd down, Solomon Islanders feel sure the riots would not have occurred. Some early reports said that the crowd used petrol in squeeze bottles to set the RAMSI vehicles alight, which would indicate prior planning. In reality, the fuel was cigarette-lighter refill fuel, which is available readily at any Solomon Islands sporting event or crowd scene, hawked about with cigarettes and betel-nut.

The crowd at Parliament House became a violent mob and managed to destroy several RAMSI vehicles. They continued to stone the police, who never managed to regain control. On 19 May, Police Commissioner, Shane Castles, attempted a defence of his police in the *Solomon Star*. He said that several malevolent groups were purposely gathered at key spots: around Central Market and King George VI Market, in Chinatown and at the City Centre Building. His interpretation was that these groups were organised, however all of these places were shopping and recreation areas and they were always full of loiterers. Central Market positively seethes with people six days each week. Castles claimed that 'large crowds' had gathered in Chinatown by 2pm, which is not borne out by evidence from shopkeepers there, who received warnings relayed from shopkeepers in central Honiara at 2pm. These warnings alerted them that trouble was brewing; there were no large crowds yet for them to see. When the riot spread to the central business district, it was swelled by some of the crowd from Parliament House, but this downtown riot seems to have acted fairly independently. Opportunist looters increased the ranks of the aggrieved protesters. The actions of some elements of the downtown mob were quite premeditated, although this does not seem to apply to the initial mob at Parliament House. There are reports of men in red T-shirts who seem to have been organising proceedings in the central business district. This second mob gathered over several hours and was 1,000 strong when looting began between 3.30 and 4pm. Acor's small shop in the City Centre Building, Wing's and Sunrise supermarkets and other

shops along Hibiscus and Mendana Avenues were looted, but very little of the main commercial centre was affected. Prominent old Chinese-owned stores, such as Acor's Bookshop and Sweetie Kwan's shop, were untouched, and the government offices, banks and embassies escaped unscathed. Local police mingled with the mob but could only watch helplessly as the crowd surged around them.

The third phase began when elements of the mob headed down Mendana Avenue to Chinatown, joined by others along the way, and began quite targeted looting and burning. Only one building (old Chinese owned but operated by new Chinese) was destroyed opposite Central Market, leaving half a kilometre of shops untouched. Interestingly, Dettke's huge hardware store, which was close by, escaped attack, in part, because it had increased security for the day. Almost all of the destruction in Chinatown was targeted at the new Chinese, and many of the old Chinese stores survived. Sir Tommy Chan's Honiara Hotel and his son's video shop in Chinatown escaped attack, as did the businesses of a number of Chinese who were married to Solomon Islanders or were old Chinese: H.M. Long, J.B. Leong, Quan Chee, Solo Tai, QQQ and Aba. QQQ and Aba had their own security forces. Aba was well known during the crisis years for employing up to 100 men in his security force and had done so again. QQQ had a sizeable number of Reef Islanders armed with bows and arrows at the ready, and understandably was spared. The mob wanted to target Chan's Honiara Hotel, because of the family's involvement in politics, but was held off by the increased, mainly Malaitan security and the Christian authority of a force of *Tasesiu*—the Anglican Melanesian Brothers, who exercise strong *mana*. Chinese escaped by swimming or rafting across the Mataniko River, helped by Solomon Islander friends and police (Guadalcanal Network Forum 2006).

The eyewitness reports are quite extraordinary.

As we got closer to Chinatown the sky really started to light up with a big blaze. We took the shortcut through the Fiji settlement, and as we rounded the corner, we could see that Chinatown was ablaze. REALLY REALLY ABLAZE. As we popped up onto the road that leads up to the old Mataniko River Bridge I was confronted by RAMSI guys in riot gear who were holding the crowd back. You would not believe this unless you saw it. From the old Mataniko River bridge end (Vuvula Poultry end) both sides of the main street of Chinatown were fully ablaze, with explosions

going off at random. At least 20 buildings were completely engulfed in flames. There was also a decent wind blowing down the river that was feeding the fire, and blowing it further down the street. A new building was being engulfed every five minutes, and the flames went at least 30 metres into [the] air. From the looks of it, the whole of Chinatown is going to burn down to nothing.

After a few more large explosions, we decided to walk up Skyline Road to get a more on top view of what was happening to Chinatown. As we got to the Tehamorina turn-off, we could see that at least one third of Chinatown was ablaze, and the fire was heading down towards the Chun Wah end. I don't even think ten fire engines would have made a dent in the fire, considering how old the buildings are, and that they are all wooden, close together, and I'm sure have no fire control gear inside (Guadalcanal Network Forum 2006).

Not all the looted or burnt businesses were Chinese owned—indigenous Solomon Islanders owned some. In the end, proximity went against some, as once fires began, they spread out of control. Nearby New Chinatown was left safe, probably because of a police presence at the eastern end of the old Mataniko River Bridge.

Late Tuesday afternoon, the Pacific Casino Hotel was stoned, but the complex was too well guarded, so the mob dispersed. They returned on Wednesday, and the entire 800 metre-long complex with casino, sports facilities, restaurants, bars and accommodation was looted, torched and reduced to rubble. The destruction of the hotel complex, which contained multiple business interests, requires several points of explanation. It has long been rumoured that the 'old' Chinese owner, Patrick Leong, obtained the land by bribery, alienating what should have been public domain on the sea-shore for the poorer suburbs of Vura and Kukum. There was also anger at the existence of the casino and rumours of prostitution operating from the hotel. Leong also made two mistakes: first, he relied almost solely on RAMSI for his protection, rather than bringing in Malaitan security. The men from the neighbouring Malaitan Fishing Village area offered to guard the hotel complex for half a million dollars (\$5,000 a man), but Leong refused, foolishly trusting RAMSI to keep him safe. His other error was that his hotel housed the offices of Robert Goh, Prime Minister Kemakeza's much disliked 'one-dollar' advisor. Goh's house was also the only private residence that was

deliberately destroyed. The hotel was seen as the major RAMSI social base in Honiara through accommodation and its restaurants and bars, which also earned the establishment the resentment of many Solomon Islanders. Despite RAMSI recounting constantly how loved it is by the people, RAMSI staff and the other aid-funded expatriates are a new *élite*, driving around in air-conditioned four-wheel drive cars and living high. They are in Honiara only for the extra money in allowances and socialise mainly with each other. This combination of factors led to the demise of the Pacific Casino Hotel.

Despite the police commissioner's protestations to the contrary, the Tuesday mob was aggravated by the initial tear-gas attack. The mob was soon made braver by alcohol taken from the looted shops. The looters were men, women and children—a mixed bunch from all provinces, although Malaitans predominated (they make up the majority in Honiara). Goods were stockpiled at nearby work places and houses and then transported to the suburbs. Even patients from the nearby hospital participated, and took goods back to the wards. The *Solomon Star* (2006a) reported: '[t]he protestors, a plethora of races, from Solomon Islands provinces, who little over a year ago were at war with one another, were now united against the government... The looters grabbed what [they] could including bicycles, mattresses and whatever they could carry back home.'

Greed united Solomon Islanders, but in the main the burning and looting was well controlled, blatant and methodical.

On the Wednesday, a mob went to the governor-general's residence via the Kukum—East Kola Road up from Kukum Highway, where they delivered a petition demanding that Rini resign. They then returned peacefully to Kukum, stopping only to burn the house of Robert Goh. At Kukum Market, shops on one side of the street were burnt, while those on the opposite side survived. A number of Chinese shops at Ranadi were also burnt: Tongs big complex next to the King George VI School farm, some of the Chinese stores opposite the school and adjacent industrial properties. The Solbrew factory was surrounded by the mob late on Wednesday and was under attack, but the alcohol supply remained untouched.⁷ Curfews were imposed and RAMSI and the local police set up road-blocks. The fire brigade and the local police performed admirably in difficult circumstances. About 50 emergency services personnel were injured during the riots, but there were no deaths, which is remarkable considering the scale of the riots. Australia and New

Zealand flew in extra troops and police. Solomon Islanders recount the puzzlement on the faces of the troops, who arrived ready for action, Timor-Leste-style, but found themselves welcomed by smiling locals, who just a day before had trashed, burnt and looted. Gradually, the situation came back under control. Rain helped put the fires out.

Once the flames died down, people began to take stock of what had happened and searched for answers. There were calls for a commission of inquiry. The police commissioner said that his forces had no prior intelligence of the riots, and were not prepared for the level of violence that occurred (Wate 2006c). This fails to recognise that the announcement of the result of the vote for prime minister was the most important political announcement since Manasseh Sogavare became prime minister in June 2000 after the coup. Even a football game at the sports ground near Chinatown can lead to riots there, and the political climate in Honiara was tinder-dry on 18 April, which was reason enough for concern.

There had been three serious youth riots in Honiara before: in 1989, 1993 and 1996. The largest was in October 1989, when 3,000 Malaitans, mainly youths and young men, insulted by scurrilous words written on the wall of Central Market, went in pursuit of Rennell and Bellona people and attempted to march on White River settlement west of Honiara. Over several days, shops were ransacked and people were injured. The police managed to diffuse the situation, 45 arrests were made, the national government paid Malaita Province SI\$200,000 in compensation and one prominent Malaitan ex-cabinet minister went to jail for two months for his botched attempts at achieving conciliation (Moore 2004:52). There was also a major riot at Lawson Tama Oval in 1998, when then Police Commissioner, Frank Short, ordered his riot police not to use tear-gas, even when they were being pelted with rocks. As Short commented in relation to the 2006 riots: 'I knew that an overreaction could have provoked large-scale violence' (Short 2006). A former assistant commissioner Mike Wheatley supported him.

Even if there was a lack of intelligence available, [and] something did really happen as a surprise, there are well-established procedures. [If] you go back through [the] history of the police force, there are well-established procedures to call out, to muster people, to call out including headquarters staff, and one of the first places you respond to, is Chinatown (Solomon Star 2006g).

The size of the April 2006 riots was hard to predict, but violence was always a possible outcome of the vote for the prime ministership.

The riots gathered momentum over 24 hours and were poorly handled by RAMSI. There was also clearly prior knowledge of what was about to occur. For instance, local police went door to door along the central Mendana Avenue shops fully two hours before the riot at Parliament House, telling the Chinese shopkeepers to close their doors because they had intelligence of the coming attack. Whether they were following established local procedures, or reacting to local intelligence, is not clear. John Roughan (2006), writing in the *Solomon Star*, challenged the RAMSI version that police were caught by surprise.

That ‘story’ doesn’t stack up! At least two hours before the first smoke whispers rose in Chinatown’s buildings and well after the troubles around Parliament House had ceased to worry, senior citizens were telephoning the proper authorities—Police Headquarters, Governor General. They informed them what was going to happen. The message was sent loudly and clearly: Chinatown was the mob’s next target. Sir Henry Quan of QQQ, having been warned by a long time storeowner in the middle of Honiara’s business sector, spoke directly to police authorities and warned them in no uncertain terms that a mob was moving towards Chinatown, it would be looted and even worse, could be burnt to the ground.

The Police response was curious! Sir Henry was informed that the police force was already overstretched and it was going to station its forces to protect Honiara’s centre. Had such a decision been made with civilian concurrence? Who had made such a decision and under what authority? [These] are only a few of the questions that a properly set up Commission of Inquiry must study.

What was the level of RAMSI intelligence gathering? What was their relationship with the local police, whom they had been working alongside for almost three years? Why were RAMSI officers wearing riot gear while the local police were not? Why weren’t extra police or troops flown in by Wednesday morning, which would have saved the Pacific Casino Hotel complex? At 9.40pm on Tuesday 18 April, the Australian foreign minister agreed to extra military forces being put on standby. An official request for military reinforcements was made at 1.15am on Wednesday 19 April, but the extra forces did not arrive until late afternoon and into the evening of that day (Wate 2006c). After the crisis abated in 2003, RAMSI promised

that extra troops could be flown in from Townsville very quickly. Australian Army sources suggest that three days are needed to move a large force of this nature, and the 16–24 hour gap between the decision and troops reaching Honiara is very fast by their standards. It seems that Australia moved its disciplined forces as fast as it could. But it was not fast enough. Why was there no rapid-deployment force available? Could more police have been sent more quickly? If there was a fault, it was that RAMSI did not prepare for the possibility of violence, or was not willing to be seen bringing in more forces before the announcement of the election of Rini as prime minister. Even on Wednesday night, Australian authorities were indecisive. A foreign affairs official faced by furious Australians at the Airport Hotel, some of whom had been injured, tried to tell them to fend for themselves, until they blocked his exit and demanded immediate action. An Australian Air Force Hercules evacuated them a few hours later.

Why is Taiwan being blamed for everything? On Wednesday 3 May, the Republic of China Embassy in Honiara issued a pathetic press release, pleading with Solomon Islands not to sever diplomatic ties, which is what Sogavare had announced he would do when he became prime minister, with a shift to recognition of mainland China (Chen 2006). For Taiwan, the stakes are diplomatic not economic. There are very few Taiwanese citizens involved in business in the Solomon Islands, except in the fishing industry. The Solomon Islands government has remained a constant supporter of Taiwan since independence in 1978, despite a few flirtations with mainland China designed to make Taiwan jealous, not to ruin the diplomatic marriage. Taiwan has poured many millions of dollars into the Solomon Islands, but local Chinese have little time for the Taiwanese government and certainly have not benefitted financially. The nation has benefitted from legitimate development projects, but there is no proof that old or new Chinese have been used as a conduit to launder Taiwanese government funds, although there remains a strong suspicion that illegal money is laundered through the casinos. There is no doubt, however, that the 2001–06 government of Sir Allan Kemakeza did very well out of the relationship.

The Chinese community is too diverse to describe as being united. One interesting sidelight to this sorry tale is the cash deposits made into the banks after the riots. On Friday 21 April, when the banks reopened, the ANZ Bank in downtown Honiara at Point Cruz received SI\$24 million

(US\$3 million) in cash deposits, while the NBSI received SI\$10 million in cash deposits, mostly from Chinese. If we presume a similar amount was suddenly deposited in Westpac accounts, something like SI\$50 million (US\$6 million) came out of hiding (Brown 2006). The Chinese have never entirely trusted the banks, and prefer to hide some of their money away from the prying eyes of the taxman and the central bank. It is no wonder that Solomon Islanders are suspicious of Chinese business operations.

The main Chinese political players are Sir Thomas and Laurie Chan of the Honiara Hotel and Alex Wong of Iron Bottom Sound Hotel. The wealthy Chans backed the previous government of Sir Alan Kemakaza and the new but short-lived government of Snyder Rini, providing a base for the Rini group. Their main motivation, apart from the tax breaks they have received over many years, was to get hold of Honiara's third casino licence. The first licence went to the Honiara Casino, which is owned by the Chen family of Singapore and other Chinese interests, and managed locally by Hayden Fargas. Honiara Casino has never been attached to a hotel, but plans are proceeding to build on land near the Town Ground. The second licence went to Patrick Leong's Club Supreme casino at the Pacific Casino Hotel. The Chans wanted the third licence for their hotel and had almost achieved their desire, even building suitable premises, but they were refused a licence. Alex Wong, who housed Job Dudley Tausinga's group at his Iron Bottom Sound Hotel, fell out with the Taiwanese a few years ago and more recently has backed the recognition of mainland China. The bills for the politicians camped at Iron Bottom Sound Hotel were rumoured to have been paid by Honiara Casino sources, via Charles Dausabea, but were eventually paid by companies connected to the politicians. Sogavare's political group was holed up at the Pacific Casino Hotel (until it burnt down). Sogavare has links to other Asian figures and to large business interests. One of these is Filipino logging businessman Roman Quitales, said to be the inspiration for Sogavare's 'social credit' philosophy, enunciated during the run up to the election, which includes printing more money to eliminate poverty and abolishing all banks, including the central bank. The Dettke family (of German and Guale origin) who own ITA Hardware and many other business interests, also supports Sogavare. Despite his public denial, Bobo Dettke is rumoured to have paid all the bills for Sogavare's group at the Pacific Casino Hotel.

The wild card that no one could control was Charles Dausabea, Member for East Honiara, who originally sided with Tausinga's political camp. Along with another Honiara MP, Nelson Ne'e, Dausabea was arrested on suspicion of orchestrating and encouraging the rioters (Solomon Star 2006b).⁸ Alex Bartlett, a former Malaitan politician and ex-MEF leader from Small Malaita, was also arrested on similar charges. Dausabea's actions followed a pattern set over many years: he was an ex-MEF leader from the Fataleka district in Malaita, who was banned from entering Australia. The extent of Malaitan control of the riots is still unclear. Sogavare, thankful for Dausabea's support in his election as prime minister on 4 May, and no doubt making a point to RAMSI about who controlled Solomon Islands, named Dausabea as his new police minister, while he was in jail. Ne'e was offered the tourism portfolio. The governor-general, however, refused to swear the men in while they were in jail, causing Sogavare to appoint acting ministers. In the end, they were dropped from the cabinet altogether (O'Callaghan 2006; Wate 2006d).

It will be a long time before the Solomon Islands recovers from this blow. Some of the Chinese families will never return and business confidence will not be restored for many years. Many of the businesses that were destroyed were not insured or had policies that did not cover riot. At least 2,000 people lost their jobs (600 at the Pacific Casino Hotel alone) and thousands of Solomon Islander families (estimates suggested 15,000 individuals) in Honiara suffered extreme poverty as a consequence of the events of April 2006. Food shortages began immediately after the riot and the price of basic consumer goods soared even for rice, of which there was plenty in reserve; this smacked of profiteering. Without its Chinese business, Telekom forecast a large loss. The Solomon Islands National Provident Fund expects to lose SI\$500,000 a year in contributions. The 6,000 tourists who visit Solomon Islands each year will be slow to return. Inflation (running about 10 per cent) is expected to increase to more than 15 per cent (Solomon Star 2006b, 2006c, 2006d, 2006e, 2006f).

The *Solomon Star* has carried many heartfelt apologies from Solomon Islanders to the Chinese community, expressing shame for the terror and loss they have suffered. Solomon Islanders are trying to come to terms with what happened. The high level of support for RAMSI has been damaged and its officials must try to deepen the very shallow level of cultural understanding they have of Solomon Islanders. The recent events show that a large

number of Solomon Islanders are no longer willing to tolerate corrupt government, nor what they see as double standards in the way RAMSI has selected individuals for prosecution for crimes committed during the crisis years. In his contribution to this volume, Transform Aqorau suggests that the deep cause of the destructive riots is the cancerous corruption that has affected the timber industry since the 1980s, which has spread through the entire body of the nation.⁹ I would add the fishing industry to his argument. There is no doubt that this corruption is linked to Asian business interests, but it has been encouraged by leaders in local communities and politicians who have benefited along the way. The problem is now how to halt the cancer without losing the patient: the innocent people of Solomon Islands.

While they were quite obviously antithetical to modern democratic practices and should be discouraged from ever occurring again, the disruptions of what is now known as Black Tuesday made many politicians reconsider their arrogant disregard of the electors who voted them into power. The nation cannot be ruled by a 1,000-strong Honiara mob; but there was an element of people power involved in it all, which forced an elected prime minister to resign. Future Solomon Islands governments and other nations in the Pacific region would be wise to take note.

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Notes

- 1 I am indebted to Garth Wong, Chi-Kong Lai, Tarcisius Tara Kabutaulaka and David Akin for their help with the meaning of the word.
- 2 Bartlett, an ex-parliamentarian, was secretary-general of the MEF Supreme Council. Dausabea was also involved intimately in the MEF.
- 3 The association also had advisors from the wider community: Michael Rapasia (Legislative Council Member for Guadalcanal), Maiano Kelesi (Member for North Malaita), Father Wall (a nominated member), Silas Sitai and Dr Gideon Zoloveke (PIM 1950; British Solomon Islands Protectorate News Sheet 1961, 1962, 1965).

- 4 Dauvergne (1998:145) suggested that 480,000 hectares were suitable for commercial logging, while other sources went as low as 280,000 hectares.
- 5 Interview with Augustine Manekako, White River, Honiara, November 2004.
- 6 Information from Paul Roughan, 18 April 2006.
- 7 Information from Paul Roughan, 18–19 April 2006.
- 8 They were allowed to vote in the Thursday 4 April election in which Sogavare became prime minister.
- 9 See also Aqorau 2006.
- 10 The high commissioner had already been in trouble with the short-lived Rini government in May, when he was summoned to explain an email sent by a senior RAMSI official, which contained allegations that Cole was dissatisfied with the 18 April candidacies of Rini and Sogavare for the position of prime minister. Cole's reply was not acceptable and Rini wrote to Australia's Prime Minister, John Howard, to complain, recommending that Cole be recalled. Prime Minister Sogavare did not pursue Rini's call, but kept watch and was unwilling to let Cole overstep his mark again (see Honimae 2006; Eremae 2006; Wate 2006a, 2006b). For a biography of Patrick Cole, refer to <http://www.dfat.gov.au/homs/sb.html>. Robert Hooton replaced Cole in March 2007.
- 11 See also Solomon Star 2006h.

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