

Visscher's chart *Insulae Mollucae* of 1617, after Linschoter. (Top).

The Unilever head office in London. (Bottom).



# Levers in the Solomon Islands

By Tony Marjoram and Sue Fleming.

**This article presents an analysis of transnational forestry operations at micro level. Such analysis has been lacking in the smaller countries, particularly with respect to the social, cultural, economic, political and environmental milieu upon which they have profound impacts. The activities of Unilever in the Solomon Islands are examined. These activities began with copra plantations and production though now include, more importantly, commercial logging.**

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*Levers Pacific Timbers (LPT)* began their pilot timber operations on government land on Gizo island in what is now the Western Province of the Solomon Islands in 1963. (See separate boxes detailing Levers, timber resources and the Solomon Islands). The first logs were exported to Japan in 1964. The planned expansion of operations to the nearby Kolombangara island was delayed until 1968, primarily over debates whether Levers initial concessionary lease of 46,000 ha on Kolombangara constituted a Forest Area. If this were the case LPT would have been obliged to replant or pay for forest regeneration if Levers were to retain the lease after logging.

In 1964 Levers balked at this and threatened to abandon their operations in the country. In response, the British High Commissioner (the country was a British colony until 1978) softened and a "gentlemen's agreement" was reached in June 1965. It was agreed that Levers could retain a perpetual estate of 10,000 ha around their land at Ringi Cove whilst releasing 36,000 ha to the Administration after logging. There was to be no requirement for forestry regeneration. For their part, the colonial administration also undertook to persuade villagers on Kolombangara to surrender their traditionally held timber rights on the remaining 17,000 ha of customary land on the South West of the island, although no discussions with local people had taken place on the subject.

## **Production for development or production for profit**

In the continuing negotiations between the Administration and Levers the Conservator of Forests pointed to a Forest Area regulation that would make felling conditional upon local timber processing and hence related development. Levers challenged this implication on grounds of unprofitability. The Administration again conceded, but noted that they would be under no obligation to allow future LPT operations on North New Georgia or oth-

er islands if Levers had made no demonstrable contribution to development. A "package deal" agreement was concluded in 1967/8, exchanging timber-cutting rights on government land and Administration intercession regarding timber on customary land for the partial surrender of Levers land concessions following the logging-out of Kolombangara, with no replantation requirement. Levers needed the intercession of the Administration with customary landholders for greater timber access to maximise their profits. The Administration also wanted to maximise their revenue (from licences, royalty and export taxation) and gain control of the land alienated from customary holders in the nineteenth century. The whole of Kolombangara was therefore theoretically opened up to Levers, who duly moved in during 1968, establishing their company town at Ringi Cove and starting a peripheral road in both directions around the dormant volcanic island. Log production began in that year, with cutting up to 3000 ha per year planned.

Also in 1968, eager to concretise developments, the Administration tabled a draft White Paper Report on Forestry in the Protectorate for legislation. The Report focused on production rather than protection forestry by designating further Forest Areas, thereby granting government control over the exploitation of timber resources on customary as well as government land – in effect clumsily attempting a *fait accompli* over timber resources on customary land following the Administration intercessionary undertaking in the agreement of 1965. The intentions of the Administration between the overseas interests (Levers) and customary landholders backfired in the public furore that met the publication of the White Paper. This was largely because of the attempted government influence over customary land and the fact that landholders on Kolombangara had been little consulted in the Administration negotiations with Levers. A following Ordinance, enacted in 1969, explicitly recognised that

government control of land could only be exercised in respect of government land.

The orientation of forestry toward production conformed to the approach of the Administration in formulating the 1971–74 Development Plan for the country – “the first Plan to be prepared with economic advice . . . to make a detailed evaluation of integrated development needs”. This meant in practice a wider opening of the door to revenue generation from resource exploitation and diversification away from copra production – a process that had evolved in 1967/8 with Levers moving to Kolombangara. In

1971 agreements were also signed with *Mitsui* for prospecting and trial bauxite mining on the island of Rennell (mining did not eventuate), with *Taiyo* for commercial tuna fishing and the *Commonwealth Development Corporation* for oil palm production. The planning ideology therefore centred around the encouragement of commercial agribusiness, related economic development and the expansion of the modern sector, as distinct from integrating development with the rural sector.

By 1977 60 km of road had been built counterclockwise around Kolombangara

from Ringi Cove, with feeder roads every 1 km running up to 5 km inland to permit the withdrawal of logs for subsequent rafting or barging to Ringi and export. Log production increased through the 1970s to 250,000 m<sup>3</sup> in 1978. Timber values had risen significantly due to increases in the price of tropical hardwoods.

By this time, however, grievances were being voiced by some villagers on Kolombangara, particularly custom landholders on the South West of the island now that Levers were advancing on their land from both sides. These grievances included simmering discontent over customary land

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## Levers

The history of Levers' operations in the Solomon Islands began with copra plantation acquisition and production. The copra was intended for a soap factory established by William Lever in Sydney, Australia, in 1895, as part of the expansion of Lever Brothers out of Liverpool and London. In 1901 Lever gained concessions over 80 000 ha of alienated land and plantations on 99 year leases for nominal rent in the Protectorate – his price for investing in the Solomons. *Levers Pacific Plantations Limited (LPPL)* was formed for this acquisition in 1902. Levers' first goal was to produce sufficient copra to lower prices to his soap factories, and indeed the world:

”To leave the production of Coprah in the hands of the natives who stop producing as soon as they have supplied their own limited wants will not give the world the Coprah it wants. We want the market as much over-done as the tea market is over-done with tea.”

Further advantageous land acquisition resulting from Levers' influence at the British Colonial Office took the concessions up to 121 000 ha and the lease to 999

years. According to C M Woodford, the Resident Commissioner at the time and careful not to offend LPPL,

”It is not every day that we find a millionaire tenant in the Solomon Islands, and I think that we may assume that the rental he pays is the lesser part of the advantage the Protectorate will derive from him.”

Levers apparently paid no rent until 1930, then agreeing to pay on fixed terms of 3000 GBP per year until 2903 – the period of the new lease.

During the 1930s the land concessions granted to Levers were reduced to 60,000 ha by the Protectorate Land Commission. This followed increasing complaints from Solomon Islanders that their land had been alienated as “unused, waste and vacant”, only to remain so in the hands of supposed overseas “developers”. In fact, by this time, only 7000 ha of Levers concessions were actually being used for plantations. In 1928 LPPL became *Levers Pacific Plantations Proprietary Limited (LPPPL)*, now an Australian-based part of the expanding Lever empire, feeding soap production in that country. Despite subsequent periodic slumps in prices, Levers soap factories routinely began to pay elevated prices for LPPPL copra to reduce

their taxable profits and maximise those of LPPPL.

By the early 1960s, owing to the increasing pressure of the Islanders, “at last becoming politically conscious”, prompting by the High Commissioner and continuing depressed copra prices, Levers decided to transfer the bulk of the unused land to the Administration, “. . . after extracting as much timber as possible”. This allowed LPPPL (and the Administration) a potentially profitable diversification away from copra, tenuously justifying the use of concessionary land on the basis that commercial logging was synonymous with development. The Unilever subsidiary, *United Africa Company (UAC)* favourably assessed the possibility of logging in the Western Province (at Gizo and Kolombangara). With the support of the ex-UAC Unilever Chairman, a subsidiary of UAC was established in 1963 called *Levers Pacific Timbers Limited (LPT)*. The question of what LPT should pay the concession – holding LPPPL to log on Gizo (and later Kolombangara) was resolved by the option of paying a low rental (of 20,000 GBP per year) to the advantage of LPT, rather than a higher rental (60,000 GBP was suggested by Unilever's Financial Group) which was considered too blatant a tax dodge.

holdings, land rights investigations, related acquisitions and the role of the Administration in persuading custom holders to release land for timber extraction, together with more recent concern over the destruction or despoilation of traditional sites and environmental degradation. LPT operations had destroyed over half the custom, ancient or tabu sites on Kolombangara and caused the pollution of streams, village water supplies and significant erosion. According to the Administration, "some soil damage has to be accepted as the price to pay for the benefits of mechanical logging operations", although no environmental impact study or the like was previously performed to evaluate what price might be paid, by whom and for what returns.

### Disputes on Kolombangara

Some villages on customary land earmarked for logging on Kolombangara began to question the forestry policy of the Administration and corresponding timber agreements, now that logging approached and the Administration were beginning to intercede on behalf of Levers. Levers sought to circumscribe these "internal problems" by making their own logging arrangements with favourable but controvertible "tribal leaders" – a misleading colonial term particularly inappropriate to the Solomon Islands where authority is vested in the older "big men" of extended family groups – or similar "trustees" (often in the employment of LPT or company beneficiaries). Levers thereby hoped to avoid land registration and hence the lengthy judicial settlement of land disputes. The Administration collusively averred that "while the people of Kolombangara might have a moral claim to the rights which they are seeking, it was doubtful if they had a claim in law". The situation intensified in January 1977 when a petition from 26 villages on Kolombangara, containing 1 300 names, was presented to the Administration, calling for greater consideration and explanation

of the effects of development projects such as forestry on subsistence agriculture, hunting, tabu places and general village life, together with greater local control and a larger share of revenues if projects then went ahead.

A dispute was also fomenting during 1977 regarding a strip of custom held coastal land through which Levers sought to drive the peripheral road, thereby completing the circuit of the island. Levers had gained "permission" (and begun to build the road) from a group whose rights in the matter were subsequently (March 1979) successfully disputed, with compensatory damages for timber extraction being awarded to the rightful "owners". Feelings circulating at the time were that Levers were trying to secure rights to as much timber as possible before Independence (July 1978) and included fears that if Unilever were thwarted then aid from Britain might be jeopardised. Following Independence, in November 1978, the General Manager of LPT indicated that the dispute on Kolombangara,

" . . . will in the very near future bring the operations of LPT to a halt, with disastrous consequences for all . . . and if allowed to continue must be a major factor to consider in our possible future entry into the New Georgia area, where we are . . . negotiating with customary landowners for a total investment of 6–7 million dollars . . . we cannot be put at risk for work stoppages of this nature."

With only two or three years more exploitable timber on Kolombangara this was indeed a strong reminder the new Government could not ignore.

Shortly after, in May 1979, a delegation from Iriri, the Seventh Day Adventist village centrally involved in the Kolombangara dispute, inferred from the Prime Minister that " . . . anybody who is against or anti-Levers is anti-Government because Government supports the programme of

development which Levers carry out . . ." and from the Attorney General, who acknowledged the legal and moral rights of Iriri villagers to their own land, that " . . . if we sue Levers they will in turn sue the Government, because the Government issues the licence to Levers to operate on Kolombangara". Sceptical of Levers "programme of development", mindful of the actual reality on Kolombangara and the previous Administration's linkage between Levers contribution to development and their possible move to New Georgia, the delegation concluded that " . . . the Government is afraid of Levers".

LPT, however, beginning to realise the legal as well as moral strength of the villagers' position, brought in an UAC spokesman from Ghana and recruited a sympathetic SDA missionary to argue their case for a compromise and permission to complete the ring-road. The Iriri villagers continued to spurn the various persuasive tokens, and installed (with overseas assistance) a sawmill to process their own timber. In response, the Chief Forestry Officer noted that a licence for the villagers to sell timber would not be granted unless the road were allowed – a condition later waived following an appeal by the Western Provincial Assembly, concerned over a local shortage of building timber. Shortly after (September 1979) offending sections of the 1967/8 agreement relating to government intercession for timber cutting rights on customary land were annulled, legally acknowledging the villagers ownership and control of their land and resources. The Iriri villagers' continued to deny Levers access. LPT were thus obliged to deploy two barges to by-pass the coastal strip, although logging operations on Kolombangara were drawing to a close with the depletion of suitable stands, and concluded by 1981.

With the cessation of operations on Kolombangara, the only remaining lowland forest is that surrounding the two villages that effectively resisted LPT, the

rest having been clear-cut. Only tall stumps and trees of fellable size (but unattractive on the commercial market) dot the landscape — giving further reason for local annoyance as royalties to the villagers depend on the volume of timber extracted. The only forest left is that on inaccessible and upland areas. The lowland ecosystem has been totally destroyed and is now typified by erosion and the proliferation of a vine (*Merremia*) that carpets the ground, strangling any new growth. Replantation has been severely curtailed by this problem, which has limited re-

forestation to around 30 per cent of ambitious and perhaps unrealistic previous targets.

### A "new start" on North New Georgia

In the mid-late 1970s, with their operations on Kolombangara coming to an end, LPT were negotiating a move to exploit the tropical hardwoods of the rainforest across the Kula Gulf on the coast of North New Georgia, already intimating the prospect of withdrawal if guaranteed access was not forthcoming. Different to

Kolombangara, and more typical of the wider Solomon Islands, the land of North New Georgia is primarily customarily held, with only small tracts belonging to the Government. Mindful of land disputes and related issues on Kolombangara and elsewhere, a "new start" was made by the Government and Levers to deal with problems arising over the lack of land registration and resolution of potential disputes as a prerequisite to the granting of concessions for forest exploitation.

An initial "solution" to such problems before Independence — "Area Commit-

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## The Solomon Islands

The Solomon Islands are situated in the South Western Equatorial Pacific commonly known as Melanesia. The archipelago stretches over 1 400 km of ocean, with six main island groups and numerous smaller islands. Total land area is 30 000 km<sup>2</sup> and the population just over 200 000 growing at around 3.5 per cent per annum — a low population density with one of the highest growth rates in the world. Over 90 per cent of the population are Melanesian, the remainder being Polynesian (on outlying islands) with fewer Europeans and Chinese.

The main islands are mountainous, generally covered with thick tropical rainforest, with narrow coastal strips and wider alluvial plains. The major plain is on the largest island of Guadalcanal, near the capital, Honiara, which has a population of approximately 20 000. The many smaller islands are volcanic, raised coralline structures and atolls. The majority (90 per cent) of the population live on the coast of the larger and on the smaller islands, mostly in villages of less than 200 people. Outside the few urban centres — the main foci of the limited cash economy — village life is typified by subsistence agriculture, with surplus garden produce sometimes being sold at market, and the sale of copra.

Approaching 100 distinct languages are still spoken in the Solomons, with English as the official language but Pijin more widely spoken and understood — the effective lingua franca. The country became independent in July 1978 after 85 years as the British Solomon Islands Protectorate, following colonial expansion into the Pacific (which still persists, primarily with the French territories of New Caledonia and French Polynesia, together with American Samoa and other French, American and overseas interests). The majority of Solomon Islanders are Christian, now that the pervasive influence of missionaries has all but eradicated custom religions and belief systems.

The Solomon Islands consists of eight Provinces (including municipal Honiara), following a process of decentralisation begun in 1975 but intensified following Independence and keener provincialisation since a change of government in 1981. The bulk of the land (86.7 per cent) is held under customary ownership by extended family groups, the remaining "alienated" land being split between the Government (8.9 per cent) and registered Solomon Island owners (4.4 per cent). Of the Government land, 74.0 per cent is committed to forestry and other natural resource uses, and 21.8 per cent is leased to non-

Solomon Islanders. The complex ownership patterns and usage rights of customary land are subject to increasing disputation, particularly with respect to commercial development exploitation and hence the increasing value of the land.

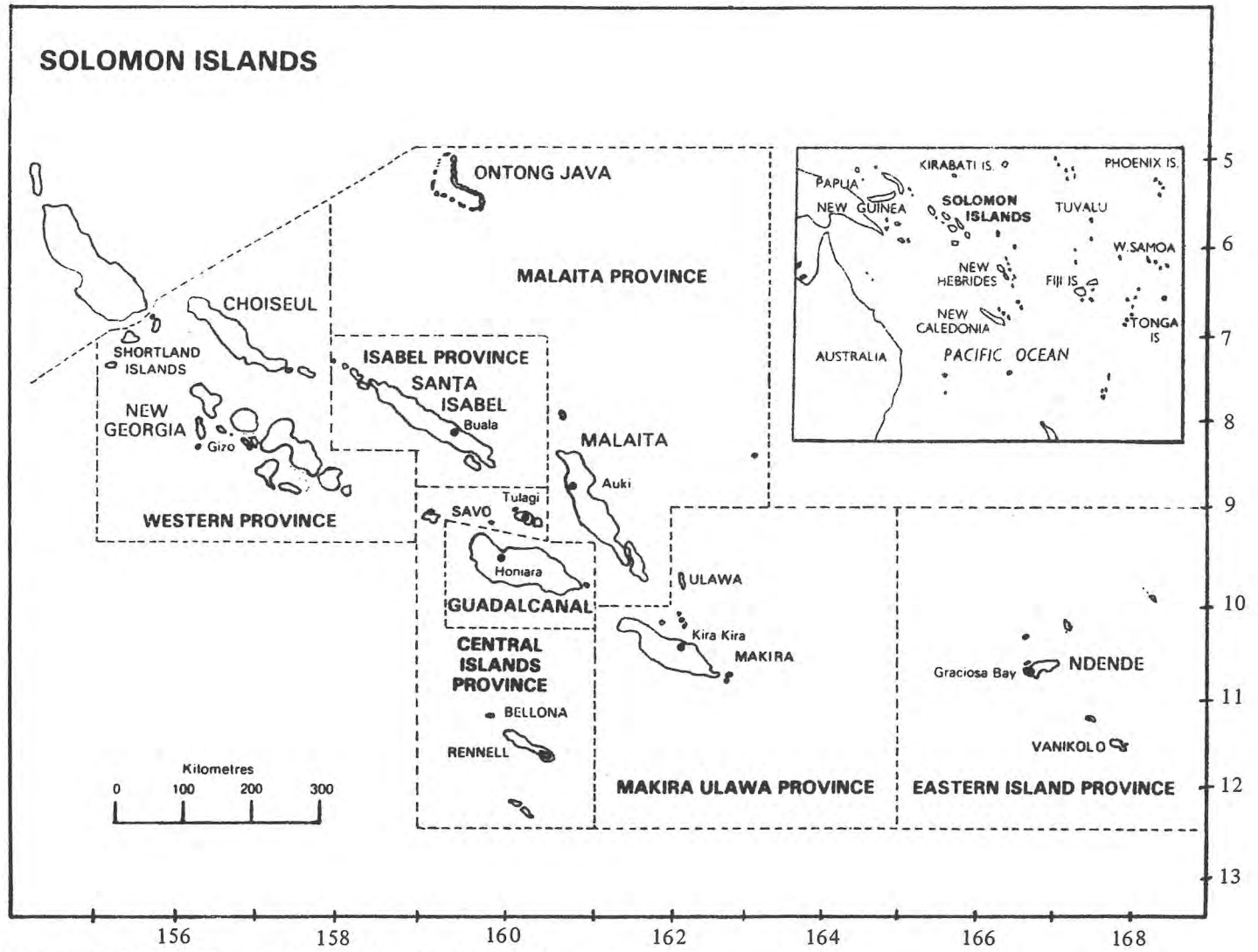
Between the years 1975–78 the difference in the balance of payments for the country (exports average 28.8 million USD per year, imports 39.05 million USD per year) was met by external assistance, primarily from Britain. Similar sources accounted for all development finance. Exports of primary products accounted for 45 per cent of GDP in 1977, the "Big Three" exports being fish, timber and copra, each of equally approximate importance at around 7 million USD value (although oil palm production is increasing). The timber and fisheries industries are essentially modern sector, organized by overseas operators, principally Unilever for timber and the Japanese Taiyo corporation for commercial tuna fishing — in partnership with the Government as Solomon Taiyo Ltd. Copra production is increasingly (now 70 per cent) in the hands of Solomon Islander smallholders. The Government holding in Solomon Taiyo is now 51 per cent. All timber production is in the hands of wholly owned overseas operators.

tees" empowering local government to grant rights to timber – had failed because such an expedient still depended upon the lengthy process of ownership resolution. Following Independence the concepts of customary law were also enshrined in the new Constitution, particularly those relating to landholding, acquisition and transfer, and the sensitive subject of overseas ownership or alienation of customary land. Past legerdemain regarding acquisition and transfer was therefore no longer tenable. To cope with the legal problems of forest access and ex-

ploitation pending the adjudication of latent land disputes – now rekindled by prospects of fortunes by local (and indeed any) standards – the Government established the *North New Georgia Timber Corporation (NNGTC)* by Act of Parliament in May 1979.

The Corporation concept, resulting partly from discussions with customary landholders over the previous six years in recognition of potential problems was, however, somewhat ill-conceived. It sought to de-link timber exploitation from land ownership by converting " . . . disputes

about land ownership into disputes about Board (NNGTC) membership, Corporation policy and the entitlement to royalties once the timber is cut," although "it also leaves open questions of ownership, which will have to be resolved if replanting is to go ahead". The Act appropriated the forests " . . . to promote the utilisation of the timber resources of North New Georgia for the public benefit" (despite the fact that they existed on customary land), by transferring ownership of the resource to the Corporation. The role of the Corporation would then be to grant



Map prepared by the Survey Division, Ministry of Agriculture and Land, Honiara, Solomon Islands.

and oversee felling licences, encourage re-planting and organize a fund from part of the royalties for development projects in the area. The "tribal leaders" (again an ill-defined group) were to nominate rotating Corporation Directors and also distribute part of the royalties to their "tribal" members, defined as people with a right to live – effectively meaning familial connection – in the five logging areas on North New Georgia (with a total population of less than 2 000 according to the 1976 Census). The Corporation, however, was not responsible for overseeing royalty distribution – this being the function of the "tribal leaders". Also, royalties would

only be payable to each of the areas when that particular area was being logged. In addition to the semantically problematic "tribal leaders" (although with the significant power of Board nomination and royalty distribution) ill-determined "tribal members" were further introduced – a potentially large number given the numerous extended family connections in the Solomon Islands.

Following the hasty passing of the NNGTC Act in May, UAC lost no time lobbying the Government in the person of the Prime Minister, whilst attending a Commonwealth conference in July 1979. According to UAC minutes, the new

Prime Minister commented that,

"One of the prime objectives of the Act had been to isolate customary ownership problems from the timber rights . . . this has been achieved . . . that LPT had the support of Government . . . (and finally that the SI Government) needed log production because they needed money!"

UAC were clearly surprised at this subordinate stance, though perhaps with little reason considering the conciliatory posture of the previous colonial Administration, the lower royalty rates levied on

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### Timber in the Solomon Islands

The timber industry in the Solomon Islands began in the mid 1930s, with an Australian company logging Kauri solely for export at Vanikoro in the Eastern Islands. Operations on Vanikoro ceased in 1963 with the exhaustion of available stands. At this time larger commercial operations began at Gizo and Bangga (Vella Lavella) in the Western Province with the establishment of *Levers Pacific Timbers* and the *Forestry Timber Company* (Japanese owned – who have since ceased operations). Shortly after the *Kalena Timber Company* (Canadian) began operating at Viru Harbour in New Georgia and the *Allardyce Lumber Company* (Australian) at Allardyce Harbour on Santa Isabel. All these operations concentrated on the export of logs. A sawmilling operation was begun in 1974/5 close to Honiara on Guadalcanal by the *Foxwood Company* (Australian) exporting sawn timber to Australia. More recently licences have been issued to *SOLMAC* (Australian) and *Integrated Forest Industries* (Australian) for export logging on Malaita and Makira islands respectively.

It is estimated that the total initial timber resource in the Solomon Islands

was approximately 16 Mm<sup>3</sup>, on 320 000 ha of land. Logging, farming and cyclones have now reduced this stock to around 10 Mm<sup>3</sup>, on 216 000 ha of land. Although a supposedly renewable resource, the past rhetoric regarding sustained yield operations – logging and simultaneously re-planting to maintain the resource – is clearly contraindicated. This has been because of weaknesses of resource management (the small Forestry Department was only established in 1955) resulting from a paucity of background research and more importantly, insufficient emphasis on replantation as opposed to exploitation. It is merely fortuitous that logging operations have not actually taken up their full production quotas.

Both in quantity and quality replantation has not achieved earlier optimistic (and apparently unrealistic) expectations. Due to the insufficient emphasis, smaller areas than planned were replanted (usually on Government land). Replanting has also been recommended for inferior grades of timber (compared to that extracted) – primarily for pulplog but including some sawlog species. Frequently replanting struck unforeseen economic and technical problems – it was more expensive than envisaged and invariably ham-

pered or choked by rival growth, particularly of a fast growing creeper (*Merremia*). These problems could possibly have been identified with more research and in conjunction with a better coordinated forestry policy – particularly with less intensive logging than the clear cutting hitherto practiced.

On top of these problems, earlier estimates suggesting a maturation time of 25 years for new plantings were also shown to be excessively optimistic, with 30 years as a more realistic figure. It was on this basis that a total annual timber extraction of 400 000 m<sup>3</sup> was allowed. If extraction quotas are now fully taken up, including the two new licences, this figure would be exceeded by 95 000 m<sup>3</sup> per year. Studies in the Solomon Islands now indicate a necessity to reduce annual potential exploitation by 135 000 (27 per cent) to 360 000 m<sup>3</sup> per year. This would conserve present resources for thirty years. Failing this, it is anticipated that the present resources would be exhausted by 1998, leaving 11 years before replantings matured. For similar reasons, changes in forestry management – primarily increased local processing and expanded reforestation – have been suggested in recent policy studies.

Livers compared with other timber companies and the fact that Livers had again won the argument against local processing and replantation requirements. Despite and before this, all parties associated with Government and NNGTC assumed that LPT would be the logging contractor. According to the first Annual Report of NNGTC, the Corporation agreed to stay with Livers because "... on the basis of 'better the devil you know than the devil you don't', we decided to negotiate with LPT rather than go to international tender." An Agreement was duly signed in June 1981.

### Disputes on North New Georgia

The potential for disenchantment on North New Georgia had been sown as early as 1972, when the Corporation concept was first mooted. There was some continuity between previously identified "trustees" and the "tribal leaders" – representatives for the various groups concerned – but also some notable exceptions. The most important exception was Silas Eto, leader of the *Christian Fellowship Church* (CFC – a sect originating in and indigenous to North New Georgia) and one of the trustees for four of the five areas designated in 1972. The reasons for this absence derived from CFC dissatisfaction with the development strategy vaguely articulated in the establishment and functioning of the Corporation and Board representation, the associated paterinity perceived in the Government approach to development and disputation regarding land ownership, surmounted by the legacy of distrust following Kolombangara operations and potential social and environmental disruptions caused by commercial logging on North New Georgia. The absence also reflected differences between the Christian Fellowship and Seventh Day Adventist Church groups – between their powerful spiritual and secular forces on North New Georgia. These differences were partly ideological – the CFC group espousing the above misgiv-

ings about development in the region, preferring a more communal approach, whereas the commercially oriented SDA group favoured large-scale logging (despite the previous resistance of the Iriri villagers on Kolombangara). The dominance of SDA members on the Board, and hence adoption of commercial policies, augured against the inclusion of CFC philosophy, and hence precipitated the CFC withdrawal and final exemption. This was also militated by the selection, as on Kolombangara, of controvertible "tribal leaders". Such decision-making by division is literally divisive by traditional systems of consensus politics in the Solomon Islands and further compounded ill feelings. A lack of information also fuelled the distrust, the Solomon Islands Senior Crown Counsel noting that "The majority of people in North New Georgia, including the Directors (of the NNGTC Board), are unaware of the contents of the Act", with the local Member of Parliament commenting that "The Directors seemed to treat the Corporation as their own private business".

The concern went unheeded, however, and in April 1981 LPT prepared to establish a base on Government land at Enoghae, only to find their barges blocked by 200 CFC villagers in dugout canoes opposed to such entrenchment. Fifty arrests were made, forty people imprisoned and urgent discussions followed, but to little avail, although it was recognised that the CFC had been unlawfully refused nominations to the NNGTC Board. A subsequent report by the Senior Crown Counsel strongly criticised the Act, citing the NNGTC as a major stumbling block. The Government responded angrily to the report, as did the NNGTC Secretary, whilst conceding that the Act contained serious substantive inadequacies, including the nomination and rotation of Directors and the lack of provision for royalty distribution.

Establishment of the base at Enoghae and logging on government land went ahead, and began on customary land. The

uneasy peace broke less than a year later, in March 1982, when over 100 CFC villagers demonstrated their frustration regarding logging, the NNGTC Board and associated policies by inflicting 1 million USD damage to the 6 million USA base (according to LPT estimates). Forty people were arrested and seven imprisoned. The new Government (formed in August 1981 with a greater emphasis on rural and Provincial development) was gravely concerned at the incident, whilst understanding the grievance. Shortly after, the Western Provincial Assembly, mindful of a lack of past assistance to community development, the Kolombangara experience and the alleged unfairness of royalty payments on North New Georgia, almost unanimously passed a motion calling on the Government to remove all Unilever subsidiaries operating in the Province.

As a result of the protests, the future of LPT on North New Georgia remains unclear. The mood of expatriate managers appears uncertain, with plans afoot to restrict logging to undisputed land if not to withdraw completely from the Solomon Islands, despite overtures to UAC that they considered the investment worthwhile, anticipating a successful resolution of the problems.

### Overview and Perspectives

The story of Livers in the Solomon Islands began with opportunist expansion by William Lever into copra production to supply the increasing commodity needs of Lever Brothers soap factories. Livers unrealized goal was the production of sufficient copra to maintain low world market prices. To this end large tracts of alienated land were secured, the bulk of which remained unused. To counter gradually increasing local opposition to this wasteful accumulation, Unilever sought to identify some way in which they may extract maximum profitability from their concessions before they were inevitably required to surrender some, if not all, of their land. Such an action was also considered to improve the image of Livers as



being concerned with development, reduce the pressure for concessionary surrender and hence allow Levers to continue their land holding and justify their remaining presence in the Solomon Islands, given the reduced profitability of copra production. Liking to "be a jump ahead in such matters", the Chairman of Unilever decided upon a timber option, so that Levers could clear-fell their concessions where possible before surrendering such logged-out land.

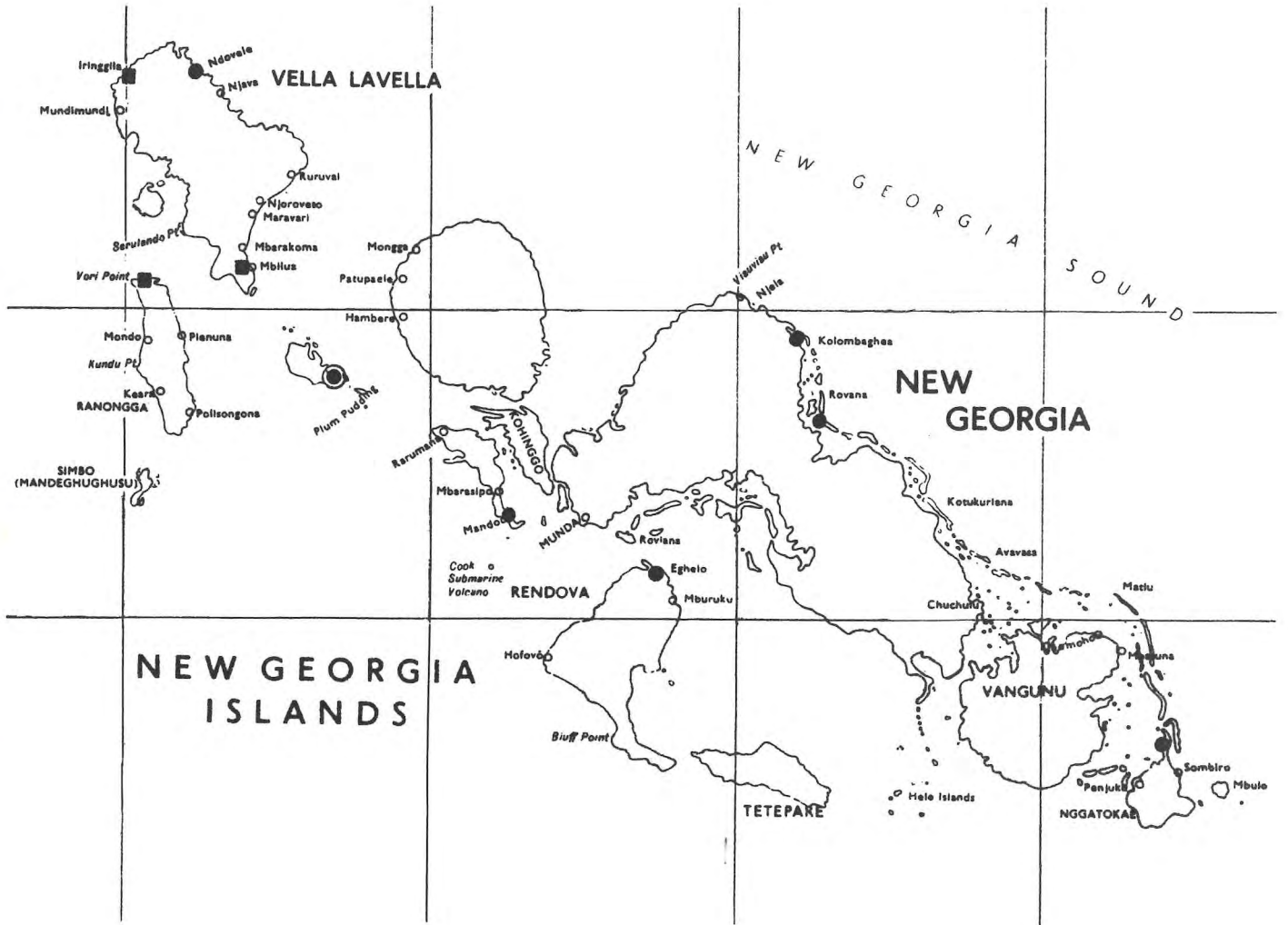
In the surrounding negotiations the Colonial Administration were equally keen on the timber option, so that a diversification could be begun away from copra and that the small stock of Administration (later Government) land could be increased – it was considered that the alienated land should be surrendered to the government and not the original customary owners. In the negotiations several potential problem areas such as repatriation of alienated land to original customary holders rather than the government, land disputation, the felling programme, approach and choice of technology, environmental impact, reforestation or subsequent land use were all given little if any overt consideration. Villagers in the areas of interest, such as Kolombangara and, later, North New Georgia, were little consulted and informed about the proceedings and potential futures. With hindsight it is therefore easy to state that the stage was set for subsequent conflict as soon as commercial logging began at Gizo in 1963. Both Levers and the Administration were in favour of logging. The ill-informed villagers in the areas concerned were divided on the issue, with some in favour, some against and most requiring more knowledge as to the possibilities of using alternative logging approaches that might be more relevant to the local situation than a larger commercial programme.

If such doubts were primarily latent before the logging of Kolombangara they were brought into sharp focus in the deforestation of that island and the subsequent move to North New Georgia. On

North New Georgia, unlike Kolombangara, all but small tracts of land were customarily owned, "ownership" that was becoming the source of bitter local conflict. Having witnessed the logging of Kolombangara, the local population divided broadly into those who were calling for greater consideration of the issues involved, generally preferring smaller scale approaches, and those who broadly supported larger scale centralized operations. The division also reflected two religious affiliations, which, in the Solomon Islands, are strong and pervade secular existence to the extent that most villages are of one faith – indeed were frequently established as such. Despite the experience of Irii villagers on Kolombangara, the Seventh Day Adventist Church and its members on North New Georgia strongly supported commercial logging, whereas the more communalistic Christian Fellowship Church preferred smaller scale options. The first independent Government of the Solomon Islands, following the colonial Administration, continued to support larger scale commercial logging. Following a re-alignment in 1981, the second Government, more committed to rural development, remained ambivalent to large scale logging. Initially, therefore, as logging began to finish on Kolombangara, interests divided regarding the timber resources of North New Georgia, with Levers, the then Government and one local faction supporting large scale commercial operations, which duly began on the small tracts of Government land despite the objections and contrary arguments by another powerful local faction. The situation changed slightly with the governmental re-alignment in 1981, becoming increasingly problematic with the protests in April 1981 and March 1982 and the general feeling running against Levers in the Western Province.

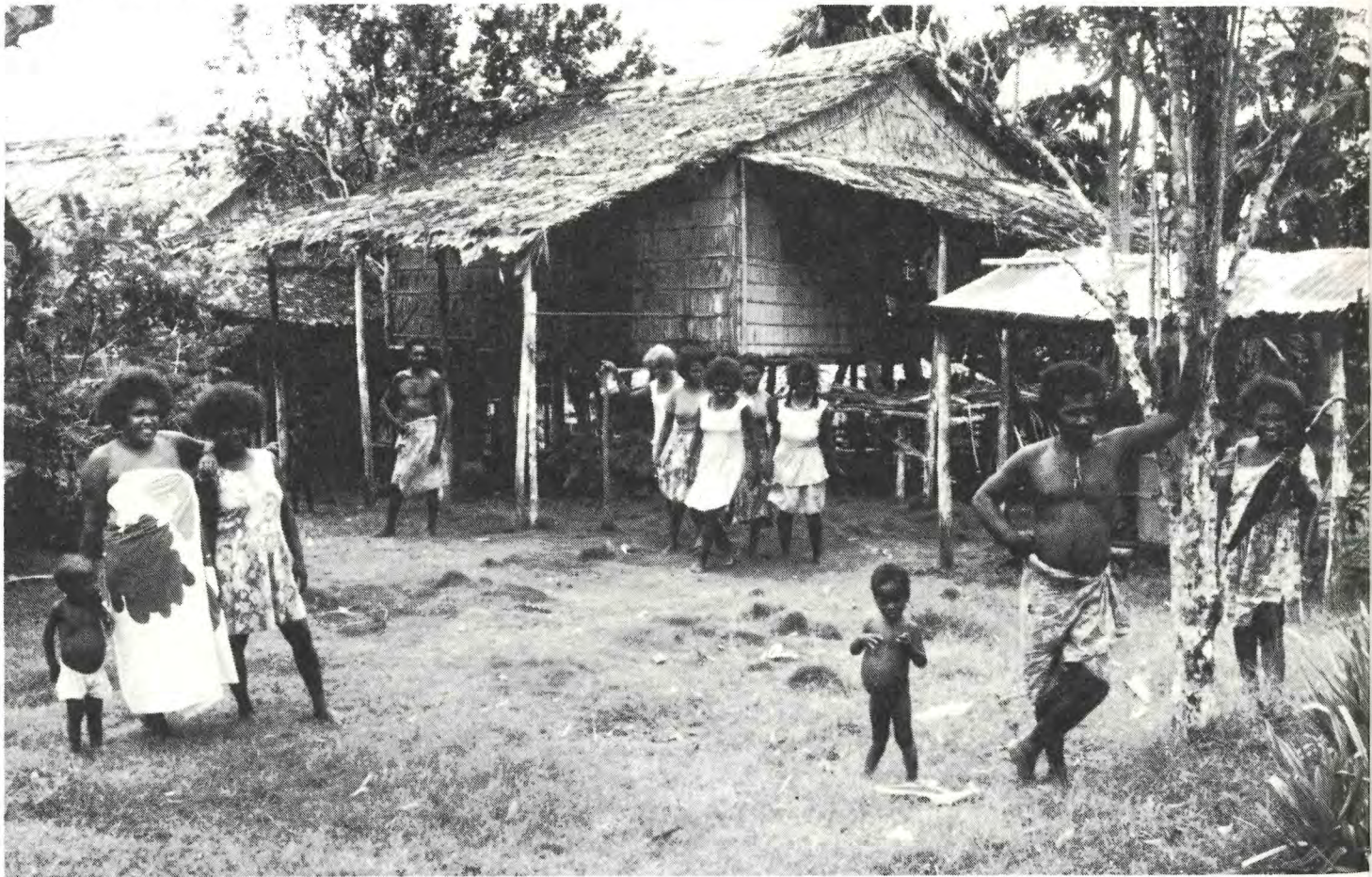
The underlying source of the problem derived from the alternative development strategies available to the colonial Administration and succeeding Governments. Toward the end of the colonial period

Britain, eager to grant independence to the Protectorate for economic and other reasons, was also keen to identify and promote projects, encouraging economic self-sufficiency, thereby belatedly taking an interest in such issues in the Islands. Large commercial modern sector projects such as fishing and forestry were identified and encouraged. As the majority of the population were and continue to live primarily in a subsistence or traditional lifestyle, with the cash economy only slowly expanding, it is not surprising that the encouragement of relatively large scale capital intensive modern sector projects, with the further attendant division into a dual economy, should lead also to social and cultural divisions. This was a fundamental implication of such policy decisions. In the case of forestry the Administration sought to patch over the attendant fractures and the first Government was obliged to continue. The NNGTC Act was amended to provide investment for development projects as well as income from royalties for people in forestry areas, envisaged as 1.5 million USD per year over 15 years. The possible impact of this revenue can be appreciated when it is considered that the population of the forestry areas was less than 2 000 in 1976, with a typical extended family annual income of between 250 USD and 500 USD. Assuming a ten person extended family and an equitable distribution of timber revenue, the estimated annual 2 500 USD per family represents a hypothetical income increase of between 5 and 10 fold. The revenue remains hypothetical, however, as allegations have already been made against the self-interestedness of NNGTC Board members and various group leaders, responsible for revenue distribution – including initial examples of unreceipted largesse being distributed "10 dollar here, 10 dollars there", on infrequent village visits. A lack of preparedness was also evidenced by the Administration in a paternalistic and hurried attempt to engage consultants to advise villagers on the deployment of their considerable approach-





*Typical leaf house in North New Georgia. (Right).  
Villagers in North New Georgia. (Below).*



ing revenues, provided such advice was first cleared by the Administration and that the consultants did not pass comment on either the organisation, efficacy or activities of NNGTC or the deal negotiated with LPT. Further proof of the lack of forethought emerged when it became apparent that a pulpwood replanting programme and related agricultural projects would cost three times that previously estimated — indicating that such projects

could cost villagers their entire revenue in replanting their own forests.

The precise way in which development strategies and options had been limited only became thoroughly apparent after the protests surrounding the beginning of LPT operations on North New Georgia and the Government realignment in August 1981 with more commitment to rural

development and decentralisation. Since that time the importance of resource revenues have continued to be appreciated, but with increased emphasis on improved resource management and local participation. These emphases centre around a more moderate felling programme coupled with increased replanting of suitable species, in recognition of previously optimistic growth rates and production cycles, together with a more appropriate choice



*Workshop and other facilities at Lever's Enoghae base. (Left).*

*Logging on Government land in North New Georgia. (Below).*



of technology and felling industry that would generate more local and national revenue and employment in rural areas. Such an approach concentrates on smaller scale logging operations and the export of processed and semi-processed timber products rather than uncut logs, thereby generating more added value. This approach obviously furthers the goal of integrating rural development with broader national goals and reverses the fractures associated

with a dividing economy. It is hoped that increased smallholder timber operations would not lead to a reduction in revenues when decreased export volumes were matched by increased export values. Such a reorientation compares to the transfer of copra production from larger and frequently foreign owned plantations to Solomon Islander smallholders.

Greater control of the timber resources should also rest with local rather than

overseas interests. This would enable a more equitable distribution of resource revenue.

A greater emphasis is also desired for local conservation as well as production forestry, with increased research and development work regarding replanting and reforestation.

Given these new emphases, it is hoped that the Solomon Islands would have more flexibility in dealing with its own

resources and their management, and be less dependent upon overseas interests and the inherent conflicts that may thereby arise and more able to pursue a genuine policy of integrated rural development.

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Table 1

#### Major primary product exports for the Solomon Islands 1975–80

Year	Fish and fish products <sup>1</sup>		Copra		Timber and products		Palm Oil and Kernels	
	volume (t)	value kSBD <sup>2</sup>	volume (t)	value	volume (km <sup>3</sup> )	value	volume (t)	value
1975	4 700	2 778	27 477	4 661	209	3 142	<sup>3</sup>	<sup>3</sup>
1976	12 809	7 385	23 015	3 634	243	6 258	3 799	1 213
1977	10 602	8 283	26 915	79 888	240	7 903	7 546	3 177
1978	11 215	7 296	32 114	10 222	250	7 181	12 384	5 074
1979	24 333	16 932	31 619	16 063	267	15 867	14 824	7 206
1980	18 111	12 602	31 682	10 515	265	16 955	16 035	5 392
		(est)				(est)		

#### Notes:

<sup>1</sup> Primarily frozen fish, but also including smoked and canned fish.

<sup>2</sup> All values in tables and elsewhere as Solomon Islands dollar SBD unless otherwise stated; during the period 1975–80 the SBD weakened slightly against the USD, with an average value of 1.00 SBD to 1.15 USD.

<sup>3</sup> Palm Oil production started in 1976.

**Table 2**

**Major primary product exports as proportion of total exports 1975–80**

Year	Total exports k SBD	Fish and products % of total	Copra % of total	Timber and products % of total	Palm oil % of total
1975	11 013	25.2	42.3	28.5	—
1976	19 062	38.7	19.1	32.8	6.4
1977	28 570	30.0	28.0	27.7	11.1
1978	31 531	23.1	32.4	22.8	16.0
1979	58 091	29.1	27.7	27.3	12.4
1980 <sup>1</sup>	47 869	26.3	22.0	35.4 <sup>2</sup>	11.3

**Notes:**

<sup>1</sup> The figures for 1980 are all estimates.

<sup>2</sup> It is important to note that logging on Kolombangara finished at the end of 1980.

**Table 3**

**Timber log production and exports 1975–80**

Year	Total production km <sup>3</sup>	Exports – volume km <sup>3</sup>	Exports – value (k SBD)	Exports – unit value per m <sup>3</sup>
1975	229	208	3 026	14.5
1976	264	241	6 062	25.2
1977	259	238	7 725	32.5
1978	275 <sup>1</sup>	247	6 837	27.7
1979	299	258	14 721	57.1
1980	299	258	16 065 (est)	62.3 (est)

**Notes:**

<sup>1</sup> In 1978 250 km<sup>3</sup> of timber was extracted from Kolombangara by Levers – 91 per cent of total production.

**Table 4**

**Processed timber production and exports 1975–80**

Year	Total production m <sup>3</sup>		Exports – volume m <sup>3</sup>		Exports – value (k SBD)	Exports – unit value per m <sup>3</sup>
	sawn	veneer	sawn	veneer		
1975	8 111	181	1 247	181	116	81.2
1976	9 209	410	1 936	351	196	85.7
1977	8 215	362	1 895	267	178	82.3
1978	11 145	788	2 666	897	344	96.5
1979	16 963	1 076	8 328	1 112	1 146	121.4
1980	19 452	1 722	5 069	1 648	890 (est)	132.5 (est)