

Announcement of new government postponed in Fiji

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More than a week after the release of the government hostages held in Fiji's parliamentary compound by George Speight and his thugs, the acute political crisis sparked by Speight's attempted coup has only deepened.

Demanding total control over the government, Speight effectively vetoed a new civilian cabinet that was due to be sworn in last Wednesday under the July 9 Muanikau Accord that he signed with the military authorities. The next day, members of the ousted Chaudhry government announced their intention to form a government-in-exile in the west of the main island.

A highly volatile power vacuum has resulted, as Speight's group vies with Chaudhry's cabinet for public support and international recognition. Neither the military nor the police are able to exert any control over continuing unrest as they are badly split by backing at the highest levels for Speight's racist, anti-Indian agenda.

On Friday, the newly-installed President nominated by Speight, 80-year-old Ratu Joseph Iloilo, made a radio address to the nation announcing that he had postponed the formation of a new government because of his concerns about Fijian disunity. In the meantime, he declared, the country would be run by the military's interim Prime Minister Laisenia Qarase, who had been removed on July 9. Qarase then said he would consider giving Speight's group a larger role in his government.

Speight said the government that Iloilo originally proposed last Wednesday was "totally unacceptable". It included only four coup participants, who were placed in junior or assistant ministries. Claiming that Qarase had failed to consult him as promised, Speight warned of continuing disruptions and refused to rule out a further coup. His spokesman Joe Nata said Fiji was "verging on civil war". Speight's gunmen burned government cars as they left the parliamentary complex on Wednesday morning.

The swearing in of the new government was then cancelled only half an hour before the ceremony was due to begin. In farcical scenes, the nominee ministers, except for those close to Speight's group and several others, waited for Iloilo to arrive, only to be told that the ageing chief could not attend due to ill health.

It was later revealed that a member of Speight's group, Adi Samanunu, had met with Iloilo on the morning of the postponed ceremony. Speight then boasted that he had stopped the government being formed. Iloilo stated that members of Speight's group should be given a more prominent role, but has now backed away from appointing a new cabinet.

The rejected ministry would have included 10 members from Speight's list of acceptable candidates but this did not satisfy Speight and his backers, who include military figures, ethnic Fijian businessmen and various senior and junior chiefs.

Speight objected because the cabinet also included 12 members from the former interim military government, two former ministers of the ousted Chaudhry government and one Indo-Fijian in a minor role. Iloilo, no doubt after discussion with the military and Qarase, had included these figures in a bid to moderate the response of the major powers and financial markets, which are demanding an end to the political and social turmoil and unrestricted access to the Fijian economy.

As Speight's nominee for President, Iloilo is apparently seeking to implement the group's racist, anti-Indian agenda while striving to appease Australia, New Zealand, Britain and the US, which have imposed limited sanctions on Fiji. "We the Fijians are now in control of the leadership of the land," he declared. At the same time he claimed that a new government would protect the rights and freedoms of all citizens.

Earlier, it was reported that the military high command was on the verge of removing Iloilo and re-imposing martial law, as it did 10 days after Speight seized parliament and 31 hostages on May 19. According to media reports, a member of Qarase's interim administration visited the deposed President Ratu Sir Kamisese Mara on Thursday. He carried a message saying that if Iloilo granted Speight's demands for greater representation in the government, the Qarase cabinet would ask the military to reintroduce martial law.

Mara, who has extensive business interests and has not formally resigned as President, reportedly backed this course of action. Mara appears to be working with armed forces commander Frank Bainimarama and possibly Great Council of Chiefs chairman Sitiveni Rabuka—the 1987 military coup leader—to hold the state together and prevent a descent into civil war.

A military spokesman revealed that the military chiefs feared domestic unrest and international economic and diplomatic isolation if Iloilo bowed to Speight's orders. Major Howard Politini said: "If the President were to change his mind, that compromise could meet a lot of backlash from the level-headed and the international community."

The interim-military government, installed two weeks ago and then removed a week later, has extremely limited authority, however, despite having extended a state of emergency until the

end of July. Speight's supporters have seized a village near Suva and continue to control the capital's electricity supply. There are ongoing reports of violence directed against Indo-Fijians, as well as seizures of government facilities.

Members of Chaudhry's former People's Coalition government claim to have the support of foreign powers for the establishment of a government-in-exile in the Western Province of the main island. A spokesman, Poseci Bune said that the international community still recognised the coalition as the legitimate government and would only channel financial aid through it.

Some of Chaudhry's ministers have set up office in the Labour Party headquarters in Lautoka, Fiji's second largest city. Ratu Tevita Momoedonu, the Labour and Industrial Relations Minister in the deposed cabinet, has been named as Prime Minister of the government in the west, with Chaudhry as Finance Minister. Momoedonu had also been named in Ioilo's cabinet due to be sworn in on Wednesday, but said that he was not happy with the inclusion of Speight's supporters in the line-up.

If Chaudhry's group proceeds to declare a western government it could lead to an east-west split. Chaudhry is basing himself on the Western Province because it is the site of most of the country's export industries and foreign investment, in the sugar, mining and tourism industries.

Chaudhry's perspective is to appeal for the support of the capitalist powers by arguing that his coalition provides the best hope of restoring official authority and securing the interests of investors. He told Reuters in an interview that he had been in touch with Australia, New Zealand, the United States and the British Commonwealth to seek help in restoring his government. He is also touting for international intervention by calling for a United Nations referendum on the country's future.

In all his remarks since being released by Speight on July 13, Chaudhry has emphasised that his main concern is to help the security forces restore law and order. "We're trying to see what we can do to contain the situation and to see that the security forces are able to bring about an improvement," he told the Australian Broadcasting Corporation on Friday.

On July 15, two days after his release, he made his pitch for business and international backing by warning that "great damage" had been done to the institutions of the state and "all these actions have hurt investors—both foreign and local—who have demonstrated their confidence in our economy".

The prolonged political crisis is being sharpened by a gathering economic collapse, under the combined impact of the withdrawal of investment, lack of tourists and international sanctions. Fiji's Public Service Commission has estimated that 7,000 workers have lost their jobs, and predicted that up to 20,000 jobs could soon be destroyed. The official jobless rate has doubled to 15 percent.

According to the *Australian Financial Review*, companies are reporting turnovers as low as 20 percent to 25 percent of one year ago. Occupancy rates in the major hotels are running at between 10 percent and 20 percent in what is normally the peak tourist period.

On Thursday the international credit rating agency Moody's downgraded Fiji's borrowing capacity because of the political turmoil. "Moody's believes the confidence of both domestic and

foreign investors has been damaged and will take several years to come back," it said.

International business is continuing to demand the restructuring of the economy, particularly the establishment of freehold title to land. A Fijian accountant, quoted in the *Financial Review*, outlined a plan to revive the economy by granting investors big tax concessions and removing large areas of land from tribal ownership. At present 83 percent of Fijian land is under communal title, effectively controlled by the Great Council of Chiefs through the Native Land Trust Board. Chaudhry's government had sought to reform the land system.

Any government formed as a result of the present power struggle will further slash living standards. Qarase's government has announced a 12.5 percent pay cut for public servants and drawn up a mini-budget that will cut government spending programs by between 20 percent and 30 percent. It is also likely to devalue the Fijian dollar by at least 20 percent, sending prices soaring. Petrol and tea prices already rose by 10 percent on Friday.

With one-third of the population officially living in poverty before the coup, the social crisis will worsen because there is no social security system for those thrown out of work.

The Fijian working people, Indo-Fijian and ethnic Fijian alike, have been completely sidelined throughout the political crisis. Chaudhry's Labour Party leaders and their colleagues in the Fiji Trade Union Congress (FTUC) have opposed any unified action by the working class against the coup and the military regime.

Having refused to call any general stoppage, the FTUC ended the sugar harvest boycott by the small farmers and labourers 10 days ago and asked Australian and New Zealand unions to lift their trade bans. FTUC officials were due to meet on Saturday to consider their response to the latest developments. But they have demonstrated their stance by refusing to take any action against the public service pay cut. Their perspective, like Chaudhry's, is to ensure the return of stable and profitable conditions for business.



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