

Australia and New Zealand seek to impose settlement on Solomons conflict

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Concerned at the highly destabilising impact throughout the region of continuing ethnic fighting in the Solomons Islands, Australia and New Zealand are both engaged in intensive efforts to impose a settlement on the tiny Pacific state in accord with their own economic and strategic interests.

Australian officials last Friday brought warring faction leaders together for a compensation ceremony hosted by the newly-elected Solomons Prime Minister Manessah Sogavare on board an Australian warship anchored off the capital Honiara. Ironically, the event was timed to mark the 22nd anniversary of formal independence from British colonial rule. The staging of ceremony on the *HMAS Tobruk* highlighted the complete economic dependence of Sogavare's government on the Western powers.

Literally seeking to buy a ceasefire, Sogavare handed out cheques totalling SI\$10 million (A\$3.4 million). Some cash went to leaders of the Malaita Eagle Force (MEF), which seized Honiara in an attempted coup on June 5. Other cheques went to the rival Isatabu Freedom Movement (IFM), whose fighters control most of the rest of the main island of Guadalcanal. Part of the money was to compensate families of the 20,000 settlers from the island of Malaita who were driven off Guadalcanal during 19 months of communal conflict. Other payments were to compensate Guadalcanal people affected by the violence. They included "blood money" for about 60 people who have been killed.

Sogavare said his government wanted to pay a much larger sum of SI\$150 million to meet all compensation claims, but could not afford to do so. "The Solomon Islands government has no money," he said. "Foreign investment is now virtually invisible. Services in provinces have been badly affected ... the clinics have run short of medical supplies and there is a likelihood that schools might not start on time."

He appealed for cash from donor countries to fund the compensation plan. Australia and New Zealand, however, have refused to supply funds to the impoverished island state of just over 400,000 people until Sogavare's government secures a formal ceasefire and restores policing in the capital Honiara.

Like his predecessor Bartholomew Ulufa'alu, who was captured by the MEF on June 5 and forced to resign, Sogavare has sought international assistance to restore governmental

authority over the Solomons. Sogavare's Foreign Minister Danny Philip has proposed the establishment of demilitarised zones, supervised by a British Commonwealth monitoring group, with Australia and New Zealand "playing a big part".

Any such intervention will be presented as "peace monitoring" in the interests of democracy and humanitarian assistance. Its real purpose, however, will be to protect the strategic and commercial interests of Australia and New Zealand, which dominate economic life in the Solomons and throughout the south-west Pacific, from Papua New Guinea to the Cook Islands.

Among the Australian investments at stake is the Gold Ridge gold mine, east of Honiara, which has been seized by the IFM. Owned by the Australian mining company, Delta Gold, it was the only major mining operation in the Solomon Islands, contributing up to 30 percent of GDP at peak production.

Sogavare was elected Prime Minister on June 30 in a far from democratic process. Six MPs, four of them ministers in the ousted Ulufa'alu government, were prevented from attending the special sitting of parliament after MEF members allegedly threatened to shoot down their plane if they attempted to land in Honiara. Sogavare won the vote by a 23-21 majority.

The IFM refused to recognise Sogavare's appointment and Ulufa'alu announced plans for a legal challenge against the validity of the new government. Renewed fighting erupted on the outskirts of Honiara after the vote and clashes have since continued.

Despite the controversy, Australian Foreign Minister Alexander Downer quickly welcomed the new government. "We were pleased that the parliament was able to meet and was able to elect a prime minister, although in circumstances that could only be described as unusual and very difficult," Downer said. "We hope that the new government will be able to get under way."

Downer sent a special envoy to work with the Australian High Commissioner to "put together" a meeting between the new government and the Premier of Guadalcanal province, Ezekiel Alebua, who has links with the IFM.

The resulting ceremony on board the *Tobruk* was Downer's third attempt in two weeks to bring the faction leaders together on the warship. Earlier he offered the vessel as a venue for

parliament to assemble to elect the Prime Minister, but some MPs rejected this as a breach of national sovereignty. Before that, Downer made his second personal visit to the Solomons in what turned out to be an abortive attempt to hold offshore talks between the IFM and the MEF.

Downer's personal involvement reflects the pressure being exerted on the Howard government by sections of Australian business and media owners to stem the economic and political disintegration of the Solomon Islands. The country has no army and its police force has largely disappeared or deserted to join the MEF, which is in possession of the country's entire armory, including Australian-supplied patrol boats with 50mm cannons. The MEF controls Honiara and its immediate surrounds. The IFM, armed with homemade and aging ex-WWII weapons, occupies the hinterland.

The economy, previously bled dry by the colonial powers and local entrepreneurs, is collapsing. Before the MEF takeover, total government revenue collection averaged \$A1.3 million per day. This has shrunk to only \$A50,000 per day. It costs \$A20,000 a day just to supply the 40,000 litres of fuel needed to run Honiara's electricity plant.

Following the Australian government's rapid evacuation of expatriates last month there has been a run on the banks and many workers have been stood down. An estimated 90 percent of government workers have been put on unpaid leave. Tourist bookings have been cancelled. Even before the MEF's seizure of Honiara, timber exports had dropped by 13 percent this year, fish exports by 14 percent and overall export earnings by 20 percent.

Once official authority is restored, Australia's intervention is aimed at enforcing the demands of the International Monetary Fund and the World Bank for "structural reform". Ulufa'alu, a former trade union leader, came to office in August 1997 heading a coalition committed to implementing this program. Canberra praised Ulufa'alu for slashing government expenditure, destroying public service jobs and reducing debt.

The social impact of this program, which featured privatisation and cuts in basic health and education spending, worsened with the Asian economic crisis. The value of the Solomons' main export, round logs sold in Asia, plummeted by 80 percent. After growing at an average of 4 percent from 1992 to 1997, the GDP fell 13 percent in 1998.

Despite this, the Ulufa'alu government maintained its course. In briefing notes on the Solomon Islands, published in March 2000, the Australian Department of Foreign Affairs and Trade delivered the following assessment, "...the government's record has been impressive, with foreign reserves at satisfactory levels, debt arrears restructured and the prospect of the securities market being restored in the near future."

This is the program that will be demanded of any Solomons government, regardless of who heads it. From media reports, some in Australian ruling circles have grave doubts about the reliability of Sogavare's government. He and five of his

ministers were members of the government of the late Solomon Mamaloni, which was defeated in a landslide election in 1997 amid international allegations of endemic corruption. According to a media leak last week, an Australian intelligence report at the time described one of these ministers, Michael Maina, as "Mister Ten Percent" due to his reputation for taking bribes from logging companies.

When the MEF initially seized Honiara on June 5, the Howard government undertook contingency measures to intervene militarily, under the pretext of protecting Australian citizens. An Australian amphibious landing ship, the *HMAS Manoora*, was dispatched to international waters near Honiara with 300 troops aboard, including a company of riflemen and an SAS contingent, as well as three Black Hawk helicopters and six armored vehicles.

Canberra has, however, refused requests from both Ulufa'alu and Sogavare to send soldiers or police to Honiara. The Howard government has been wary of incurring domestically unpalatable casualties and over-stretching its military capacity, particularly when it already has troops in East Timor and Bougainville and on standby for the Sydney Olympic Games. It may also be concerned about opposition from Asian and Pacific governments to a unilateral military intervention, following criticisms of its aggressive Timor operation.

Nevertheless, Howard has been under pressure to intervene more decisively. Writing in Rupert Murdoch's *Australian* on June 15, Mary-Louise O'Callaghan declared that "tardiness in Solomon Islands would be aiding the potentially irretrievable disintegration of an entire nation". An article in the *Australian Financial Review* said an "arc of instability" had erupted from East Timor to Fiji that "highlights the increasingly uncertain environment for Australia's business and national security interests in the region".

The Labor Party is also advocating more direct intervention, using the precedent of the Australian mobilisation in East Timor. Labor's defence spokesperson, Stephen Martin, has suggested that Australian and New Zealand troops be used to "ensure vital government and economic infrastructure is protected".



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