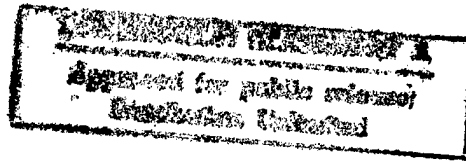


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9 June 1982

SOUTH AND EAST ASIA REPORT

No. 1151

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AUSTRALIANS SAID TO BE TRAINING PHILIPPINE GUERRILLAS

Sydney THE SYDNEY MORNING HERALD in English 16 Apr 82 p 10

[Text]

Australian and British mercenaries are reported to be training Filipino Moslem guerrillas in secret jungle camps in Malaysia.

According to the guerrilla commanders, British and Australian mercenaries, including former members of the elite Special Air Services Regiment (SAS) were paid to instruct them on the latest jungle warfare techniques.

The camps are said to have been financed and organised by the Libyan leader, Colonel Gaddafi.

The claim is made on the Nine network's current affairs program Sixty Minutes, in a story to be broadcast on Sunday.

Senior commanders from the Moro National Liberation Front (MNLF) told Sixty Minutes they had spent up to two months in jungle camps in Sabah.

A spokesman for the Malaysian High Commission in Canberra denied the existence of the camps and any official Sabah Government connection with the Moslem rebels.

The MNLF commanders also told Sixty Minutes they were receiving armed support and training from the Palestine Liberation Organisation.

Arms and ammunition including the latest American and Soviet automatic weapons, rocket-propelled grenades and anti-tank and

anti-personnel mines had also been supplied by independent arms dealers.

MNLF leaders told Sixty Minutes some of their most recent arms had come directly from Philippines Army arsenals, paid for through corrupt senior officers in Manila.

The MNLF is demanding an autonomous Islamic homeland for the 13 essentially Moslem provinces in the southern Philippines.

They want their own Islamic government, their own Islamic legal system, the shariah, and a Moslem education system.

They want a Moslem self-defence force to replace the Christian-dominated Philippines Army divisions which they blame for much of the trouble in the Islamic strongholds.

Over 400 senior MNLF commanders gathered at the Mindanao meeting, which may mark a significant turning point in the course of the Moro struggle.

In a unanimous vote, the commanders, from 80 per cent of the fighting units throughout the southern Philippines, voted to reject the radical hard-line policies on complete Moslem autonomy sought by the front's Marxist chairman Nur Misuari, now in his eighth year of exile in Libya.

The meeting voted to embrace the "reformist" policies advocated by Misuari's former deputy leader, Dimas Fundato, now in exile.

CSO: 4220/6012

AUSTRALIA

BRIEFS

OMEGA STATION OPERATIONS--The Victorian Government says it wants to stop the operation of the Omega Navigation Station in the southeast of the state. A resolution passed by the Victorian branch of the Labor Party calls on the state government to stop the supply of electricity and water to the joint Australian-American base. However, if the state labor government took such action, it would be in contravention of the federal labor party's policy on the issue. A Victorian Government spokesman said the state branch would be seeking the support of the national labor conference in July to deny services to the station. The Omega station, expected to go into operation shortly, is part of a worldwide American communications system. [Text] [BK201440 Melbourne Overseas Service in English 0830 GMT 20 May 82]

STRONGER WEST SUPPORT FOR BRITAIN--The Prime Minister Mr Fraser, has called for stronger support for Britain in the Falkland Island conflict with Argentina. However, he has dismissed as long way off any suggestion of military aid from Australia. Mr Fraser, describing the extension by 7 days of European community sanctions against Argentina as weak, said the West needed to be more supportive towards Britain. He said if aggression was allowed to succeed it will have grave and serious consequences for the Western alliances. Earlier, Mr Fraser held talks in Ottawa with the Canadian Prime Minister, Mr Trudeau. The main purpose of the meeting was to outline the Australian plan for economic reform which the prime minister hopes will be considered at an economic summit in Versailles next month. The plan includes the holding of tariffs at present levels, a ban on new protection measures, and a gradual phasing out of export incentives. After the meeting, the Australian leader said Mr Trudeau saw the main problem to the proposals as the political difficulties in winding back protection. Mr Fraser has already outlined the scheme to President Reagan and is flying to Tokyo for talks with the Japanese prime minister, Mr Suzuki, who will also attend the Versailles Summit. [Text] [BK200927 Melbourne Overseas Service in English 0830 GMT 20 May 82]

ECONOMIC SANCTIONS AGAINST USSR--The prime minister, Mr Fraser, has called on Western nations to impose economic sanctions against the Soviet Union as a way of reducing its conventional arms advantage and he argued that economic sanctions would help create a more stable strategic balance. Mr Fraser also said that the NATO alliance could be endangered if its members failed to give Britain their full support in the conflict with Argentina over the Falkland Islands. He said the conflict had to be resolved in a way that was satisfactory for Britain. A radio Australia reporter travelling with Mr Fraser says the

prime minister's call for sanctions against the Soviet Union is likely to cause a clash with the Canadian prime minister, Mr Trudeau. The Australian prime minister is due to hold talks in Ottawa with Mr Trudeau tomorrow. The Canadian leader has been quoted by the WASHINGTON POST as saying that he is not impressed by arguments linking East-West trade and arms control to Soviet behavior on political questions. After his visit to Canada, Mr Fraser will go to Japan and South Korea. [Text] [BK190925 Melbourne Overseas Service in English 0830 GMT 19 May 82]

FRASER COMMENTS ON REAGAN TALKS--Australia's Prime Minister Mr Fraser says President Reagan has described his plan for helping the economies of the Western world as very interesting and very constructive. Speaking at a news conference in Washington after a 50-minute meeting with President Reagan, Mr Fraser said he had come away with the impression that the president agreed with the underlying principles of his plan. Mr Fraser also said the idea would be brought up at the summit meeting at Versailles in France next month of the West's seven major economic powers. President Reagan had indicated that he would make sure the Australian initiative was represented at the summit. The plan has three points: A standstill on present levels of tariff protection with all countries agreeing not to introduce new protective devices; a commitment to reduce the protective barriers over a number of years using the mechanism of the general agreement on tariff and trade--GATT; and agreement not to introduce new or increased export incentives but to reduce all forms of existing incentives and subsidies over 5 years. Mr Fraser said that if there could be a commitment to these proposals at the Versailles they would contribute to a rise in living standards and increased trade. The prime minister, who is also to visit Canada, Japan and South Korea, will put his plans to the leaders of the three countries before he returns to Australia. In Canberra, senior government ministers have been holding a series of meetings with industry representatives to explain Mr Fraser's proposals. [Text] [BK181114 Melbourne Overseas Service in English 0830 GMT 18 May 82]

VISIT BY FIJI'S RATU MARA--Fiji Prime Minister Ratu Sir Kamisese Mara has called for Australia to give particular understanding to the goals and aspirations of its smaller neighbors. Speaking in Canberra, Ratu Mara said there was a danger of smaller countries in the Pacific becoming too dependent on the aid of their larger neighbors, such as Australia and New Zealand. Earlier, Prime Minister Fraser assured Ratu Mara that moves for closer economic ties between Australia and New Zealand would not harm the (Spartica) trade agreement. Under the agreement a wide range of goods from member countries of the South Pacific forum are given duty free access to Australia and New Zealand. A spokesman for Ratu Mara said his 2-day trip to Australia was proof of the two countries excellent relations and had included Australian reassurance to continuing close ties. The spokesman added that Australia had looked with sympathy at all Fiji's problems and views, including the Fijian ban on nuclear powered ships linked with opposition to French nuclear testing in the Pacific. Ratu Mara has now returned to Fiji. [Text] [BK161134 Melbourne Overseas Service in English 0830 GMT 16 May 82]

ROLE OF MIDDLE POWERS--The foreign affairs minister, Mr Street, has stressed the role of middle powers in world affairs. He has told the conference of

the Australian institute of international affairs in Sydney that through the exercise of quiet accommodation and patient negotiation middle powers can sometimes be more effective than superpowers. Mr Street said that as a middle power closely linked to both the Western alliance and the third world, Australia was better placed than the United States to help fashion policies that would deny the Soviet Union access to influence in the Southwest Pacific. He said Australia's special position also allowed it to see clearly the fundamental importance of breaking the current impasse in the dialogue between developing and developed nations. Mr Street said the growing relevance of middle powers did not diminish America's right of action as a superpower. But he said exercise of this right needed more sensitivity than ever before to the perspectives of lesser powers. [Text] [BK141307 Melbourne Overseas Service in English 1130 GMT 14 May 82]

FRASER ECONOMIC PLAN CRITICIZED--The federal opposition has attacked Prime Minister Fraser over his intention to put forward in talks with President Reagan proposals to aid the world economy. The labor opposition spokesman on economics, Mr Willis, said today that any proposal by Mr Fraser for world economic recovery would be no more than hollow posturing. He claimed that Australia's economic performance under the Fraser government had been much worse than that of other industrialized countries. Mr Fraser, speaking to reporters in Washington, has again described his proposals as an imaginative, new initiative but one which Australia or any other country could not implement unilaterally. However, he said that if the seven major Western economic powers meeting at Versailles early next month committed themselves to the Australian plan, there could be an increase in world trade and production and reduction in inflation and unemployment. It's understood that Mr Fraser's proposals include a call for a moratorium on rising international protectionism and a gradual lowering of trade barriers. After his talks in Washington, the prime minister will visit Canada, Japan and South Korea. [Text] [BK171008 Melbourne Overseas Service in English 0830 GMT 17 May 82]

EVIDENCE HEARD ON EAST TIMOR--The former labor prime minister, Mr Whitlam, has told a senate committee in Sydney that there is no famine in East Timor. Mr Whitlam was giving evidence to the senate standing committee on foreign affairs and defense. The committee started hearings today of the human rights in East Timor and the role of the United Nations in a dispute over the legality of Indonesia's incorporation of the former Portuguese colony in 1975. Mr Whitlam said that during a visit to East Timor earlier this year, he saw no evidence of famine and no security problems. [Text] [BK141035 Melbourne Overseas Service in English 0830 GMT 14 May 82]

CSO: 4220/647

ERSHAD MEETS WITH PRESS ON RETURN FROM SAUDI ARABIA

Dacca THE NEW NATION in English 5 May 82 pp 1, 8

[Text] Chief Martial Law Administrator, Lt. Gen. H. M. Ershad said yesterday, that he had 'very [word illegible] and fraternal' discussions with King Khaled and other Saudi leaders on bilateral, regional and international issues.

Talking to newsmen at the Zia International airport on his return from a three-day official visit to the Kingdom of Saudi Arabia, General Ershad said that during his meetings with the Saudi monarch they had discussed the problems facing the Muslim World, King Khaled praised the positive role being played by Bangladesh in upholding the causes of the Muslim World and to consolidate Muslim solidarity and fraternity, he added.

The CMLA said his visit to Saudi Arabia was "very fruitful". "We found expression of friendship and fraternity in our talks and through the warm welcome the had given to us wherever we went", he added.

General Ershad said the Saudi monarch had assured the Kingdom's generous material support to Bangladesh for its development.

The Adviser-in-charge of the Ministry of Finance will soon go to the Kingdom to discuss and work out the aspects of Saudi economic support for Bangladesh.

The CMLA said both the countries had found unanimity of opinion in their talks regarding wide-ranging subjects of international and regional issues and ways to find solution to the problems facing the Muslim world.

On regional matters, the question of establishing the Indian ocean as a zone of peace our relations with the neighbours were discussed during the talks.

Replying to a question, General Ershad said that regarding Afghan situation Bangladesh had already demanded withdrawal of 'all foreign troops' from that soil and that the people of Afghanistan be allowed to decide their own form of government. The Saudi King also expressed the same opinion, on he added.

General Ershad said that the talks between him and the Saudi monarch mainly featured the situation obtaining in the country and international issues.

Bangladesh proposal for holding a summit on Al-Quds is in active consideration and latest position on it would be known soon, he said.

India, Pakistan

To another question on the arming of Pakistan and India, the CMLA said, despite Bangladesh being a small country, we have to build up our armed forces and make our people conscious and ready for safeguarding the national independence and sovereignty.

On a question about Saudi gesture regarding Bangladesh problems, the CMLA said 'We have informed the Saidi leaders about the problems facing the country and the Government's jihad' against corruption and poverty, in which we welcome the cooperation of our friendly country', he said.

The Saudi monarch had assured us of every possible help to accomplish the objectives.

The CMLA said that during the talks with King Khaled he found Bangladesh very close to to the heart of the King and the Saudi people. The talks held in a warm and cordial atmosphere were very fruitful.

We had frank discussion on all matters, he said.

General Ershad said that the visit had given him the opportunity to meet King Khaled, the leader of the Muslim world.

"The visit also gave me rare opportunity of saying prayer inside the Holy Kaaba and to perform Umarah. I also got opportunity for the ziarat of the Rouza Mubarak of Prophet Hazrat Muhammad (SM) and offer prayer at the Masjid-e-Nabawi. The gates of both the Holy Kaaba and Rouza Mubarak were opened for us and I think it is a great blessing. I also prayed for the people and the country at both these holy places.

Invitation

The CMLS said that he had invited King Khaled to visit Bangladesh and he had accepted it. The date of the visit would be fixed up at diplomatic levels.

He said invitations were also extended to the Saudi Foreign Minister and the Deputy Premier.

The CMLS concluded saying that the reception and cordiality that were extended to them clearly showed the confidence of the Saudi King and leaders in Bangladesh.

CSO: 4220/7285

BURMA

BRIEFS

DIPLOMATIC TIES WITH CHILE--The government of the Socialist Republic of the Union of Burma and the government of the Republic of Chile have agreed to establish diplomatic relations at embassy level as of 22 April 1982. [Text]
[BK131227 Rangoon WORKING PEOPLE'S DAILY in English 30 Apr 82 p 1]

CSO: 4220/647

SIKKIM NOT A SUBJECT IN INDO-SINO BORDER TALKS

New Delhi PATRIOT in English 3 May 82 p 7

[Text] GANGTOK, May 2 (UNI, PTI)--External Affairs Minister P V Narasimha Rao today ruled out the possibility of India discussing the question of Sikkim's merger during the coming official level talks between India and China in New Delhi.

'Sikkim is a part of India and there is no question of discussing anything about Sikkim with China', Mr Rao told a news conference here today.

Mr Rao also answered a spate of questions on India's bilateral relations with various neighbouring countries like Bhutan Nepal Bangladesh and China.

The Minister expressed the hope that in the special UN session on disarmament in June next the nuclear weapon State's can be made to see the light of reason and to accept a viable and verifiable programme covering a freeze on N-weapons as proposed by India.

Speaking on the 'Role of India in the United Nations' at the Sikkim United Nations Association here last night, Mr Rao said the session would 'no doubt provide an important forum for focussing international attention to this urgent question which impinges upon the very survival of mankind'.

Mr Rao said the various initiatives taken by India both in the UN as well as in the Geneva negotiating forum on disarmament, had sprung from her consistent and principled position on the question of nuclear disarmament.

The External Affairs Minister said 'we believe that theories derived from notions of deterrence, balance of power of spheres of influence have all proved wrong in the past and cannot be the basis upon which the survival of humanity can be postulated, far less in an age when the formidable range of nuclear military technology places man within a hair's breadth or total annihilation'.

Mr Rao said India had consistently spearheaded the efforts of the non-aligned countries in the United Nations to prevent a shift of focus, or a distortion of priorities in disarmament discussions away from nuclear weapons or from a global approach to the question of nuclear disarmament.

It is an indication of the growing consensus within the international community to this fact that the draft resolution proposed by India last year on non-use of nuclear weapons and prevention of nuclear war was obtained an overwhelming majority of 121 votes, with the significant support of two nuclear weapon states themselves, he said.

The External Affairs Minister observed that world peace could not be left to the power play of individual states or the great power manipulation. In a world where even a system failure a computer malfunction or technical breakdown in communication could result in a disaster of colossal proportions one small conflict in a remote corner of the world could easily escalate into a world-wide conflagration, he said.

It is this consciousness, he said, that had left even the smallest power to seek its best hope of protection and survival in the active role of the United Nations

CSO: 4220/615

THAPA'S LEADERSHIP QUESTIONED

Kathmandu THE MOTHERLAND in English 7 May 82 p 3

[Editorial]

[Text] Unquestionably, Prime Minister Thapa has proved himself to be a past-master in the art of manipulative politics. Despite demands from various quarters that he as Prime Minister should resign, he has continued to be the strong man. Some of the allegations made against him are not only serious but also sound plausible like charges of widespread corrupt practices in which Ministers and government officials are widely reported to have indulged. Not only this. The government headed by Thapa is also alleged to have sapped the very political and economic vitality of the country. Yet not very surprisingly Thapa has continued to wield power and enjoy the luxury of being a strong man. Those are opposed to him do not seem to have rallied enough of strength to force him to step down from the pedestal of power.

Though this is the case, the simmering discontent cannot be expected to continue as feeble as it now appears. Thapa is not a man with charisma. As far as the question of mass following is concerned, he has nothing at all even though he was convincingly returned to the Rastriya Panchayat from his home district. The relay hunger strike staged by some of the minor politicians at the open air theatre alleging that elections were vastly manipulated cannot be ignored in this context. Of course it is a fact that the relay hunger strike had in it some farcical elements, yet it was indicative of the fact that all was not well with the general elections. So the coming session of the Rastriya Panchayat should prove to be quite crucial for Thapa. If the democratically elected government cannot be made to quit then through democratic process, the opponents of Thapa should accept defeat for good.

CSO: 4220/615

FINANCE MINISTER ON IMPLEMENTATION OF 1981-82 BUDGET

BK191137 Jakarta ANTARA in English 1115 GMT 19 May 82

[Text] Jakarta, 19 May (ANTARA)--Indonesian balance of payment in fiscal 1981-82 registered a current account deficit of U.S. \$3,495 million. But net capital transaction during the year saw a surplus of U.S. \$2,943 million.

Therefore, Finance Minister Ali Wardhana said, as a whole the country's foreign reserves during that year was down by the figure of U.S. \$828 million against the position in the previous fiscal year.

The minister was reporting Wednesday [19 May] to a plenary session of DPR (parliament), giving explanations on the revision of the 1981-82 state budget.

He said the value of Indonesian export in 1981-82 was U.S. \$23.7 billion or 5.5 percent over the value of export in fiscal 1980-81.

This amount was below the targeted figure of U.S. \$26,029 million, attributable to the fact that the prices of several commodities had slid down on the international markets in that year as a result of the world economic recession, Ali Wardhana said.

In fiscal 1981-82 the value of non-oil exports was U.S. \$4.2 billion, down 24.8 percent from the previous period. Oil export reached U.S. \$19.5 billion or up 15.6 percent.

On the other side import value in the same year rose 26.1 percent compared with the previous year. The import value in 1981-82 was U.S. \$21.6 billion.

Hikes in industrial prices abroad and increase in import for projects financed with international aid contributed to the significant rise in import value.

As an overall result, the 1981-82 state budget which was planned to balance at RP, 13,900.3 billion was to be revised, because actual receipts was RP, 13,921.6 billion while actual expenditures amounted to RP, 13,917.6 billion.

Thus the 1981-82 budget had to be closed with a surplus of around RP, 3.9 billion.

Ali Wadhana explained revenues from domestic sources during fiscal 1981-82 amounted to RP, 12,212.6 billion. This was RP, 61.8 billion below the original target of RP, 12,274.4 billion.

On the other hand routine expenses totalled RP, 6,977.6 billion, or RP, 523.5 billion smaller than at first expected.

Thus government savings kept in the treasure amounted to only RP, 502.9 [as received] during the year.

As to expenditures for development, the realization was at RP, 6,940.1 billion. This was RP, 540.9 billion above the target.

The rate of inflation in 1981-82 (April to March) was 9.8 percent, less than the 15.9 percent rate of the previous year.

Minister Ali Wardhana concluded: "The implementation of the 1981-82 state budget had contributed to the maintenance of the momentum of development which had been achieved so far toward targets set in the beginning."

CSO: 4220/647

FOREIGN MINISTER INTERVIEWED

AU281340 Rome ANSA in English 1130 GMT 28 May 82

[Text] Rome, 28 May (ANSA)--Indonesia's foreign policy, under the leadership of President Sukarno, continues to be directed "toward Africa" where the Southeast Asian nation intends to "reactivate" its bilateral relations, formulating new economic cooperation and technical agreements.

This and other views on politics and the world situation were aired here in Rome recently during a visit by the Jakarta government foreign minister, Kusumaatmaya Mokhtar.

The minister, who travelled to Rome on the eve of his departure for a 2-week, three-nation African tour to Senegal, Gabon and the Ivory Coast, met with Pope John Paul II in an audience at the Vatican, and also held talks with his Italian counterpart, Emilio Colombo.

In an interview here with ANSA shortly before leaving for Africa, Mokhtar confirmed that this nation's relations with the Vatican were "excellent", praised the active and positive role played by the European community in favor of peace, and emphasized the necessity of the struggle against poverty "in the interests of both developing and industrialized nations".

He also congratulated the movement of nonaligned nations for steering clear of the trap represented by falling into the sphere of either of the super-powers, and noted that the alliance was internally reinforcing their policy of a "more and more genuine nonalignment".

In the context of his discussions with John Paul II, Mokhtar noted that "they served to confirm the state of good relations which exist between Indonesia and the Holy See and provided an opportunity to reiterate the Jakarta government commitment in favor of religious freedom" in their nation. There had been a period, the minister admitted, during which the Vatican showed concern over the decision taken by Indonesian authorities to ensure that all clerics came from the indigenous population, a move, he said, prompted by a desire to deal a definitive blow to colonialism.

"I explained to the pope," Mokhtar said, "that we do not want to expel foreign priests because that would create a void."

"What we want instead is to eventually reach a population of priests that are all Indonesia, but we know that this will take time. The Vatican he continued, "understood our position perfectly".

Almost 150 thousand, or 88 percent of the Southeast Asian nation's inhabitants are Muslims and 7 percent are Christian.

Commenting on events on the international scene, Mokhtar confirmed that his nation "is in favor of a negotiated solution to the Falkland Malvina Islands controversy" and confirmed that this subject also came up in his talks with the pope, as well as with Minister Colombo.

Other topics covered with the Rome government diplomatic chief included politics in the Indonesian peninsula, the situation in Afghanistan, the Iran-Iraq conflict and the issue of disarmament.

In the latter context Mokhtar affirmed that his government is "very satisfied with the resumption of dialogue between the United States and the Soviet Union on the problem of nuclear disarmament.

"It is undeniable" he said "that Europe has in part contributed to these initiatives by (United States) President Ronald Reagan". "The 'Ten' have shown themselves on this occasion to possess an independent attitude in respect to the American position" he declared, adding that "Colombo explained that (this position) need not be interpreted necessarily as an attitude of opposition to the United States.

"It is an attitude which we value highly" the Jakarta government representative concluded, adding that "the development of a European identity can be very useful for (?pursuing) world peace."

Concerning the nonaligned movement, Mokhtar noted that "the existence of diverse tendencies inside the movement is an indication of its strength and not of weakness."

"I think that at this year's nonaligned summit meeting in Baghdad, the participating nations will move to reinforce an increasingly genuine policy of nonalignment."

Maintaining the necessity for all nations, both industrialized and developing, "to replace their arms spending with funds directed toward the struggle against poverty", the minister commented that "unfortunately the present situation of economic crisis and recession is anything but favorable to the realization of concrete development programs".

CSO: 4220/7

WORLD BANK ADVISES INDONESIA TO RESTRUCTURE ECONOMY

BK201231 Hong Kong AFP in English 1138 GMT 20 May 82

[Text] Jakarta, 20 May (AFP)--A speeding up in the restructuring of the Indonesian economy to make it less dependent on oil exports would be necessary if the country was to continue its rapid development, the 1982 World Bank confidential report said.

But it warned that if the recession and the weak oil market continued Indonesia, with 70 percent of its state income provided by oil exports, would be increasingly vulnerable and would have serious difficulties.

It added there was a crumb of comfort, however, because the second half of this year should see a pickup in world oil demand.

Indonesia with 150 million inhabitants is the most populous Muslim country and it has now entered the middle-income group for the first time with a gross national product per person of U.S. \$526 in 1982.

But the bank report stressed that the high-growth strategy of the past decade must continue despite the deficit caused by the world wide economic slowdown.

It said there were "compelling social and economic reasons, including the need to provide productive employment for almost 20 million new entrants into the labour force during this decade" for Indonesia not to slacken the pace of development."

The 160-page report, which is to be officially presented to the Indonesian Government this week, recommended that the intergovernmental group on Indonesia (IGGI)--a grouping of Indonesia's major donor countries--should increase aid above the \$2.1 billion provided last year.

The report said that Indonesia would have to increase its foreign borrowing and boost its domestic revenues over the coming years and it added that "the risks associated with cutting back development programs in the face of a sharp and unexpected fall in revenues are greater than the risks associated with maintaining a rapidly expanding development program."

More than U.S. \$12 billion would have to be borrowed from abroad and another U.S. \$11 billion would have to be raised from domestic sources during the next 4 years in order to offset the new deficits and to pay interest and service charges on loans, the report asserted.

The deficit of U.S. \$2.5 billion last fiscal year (until 31 March 82) would rise to at least U.S. \$4.4 billion this year, it said, adding that despite the deficit, "the Indonesian economy has performed remarkably well in the past year."

Moreover Indonesia's strong foreign reserves made the deficit "well within manageable limits."

The bank said, "a fundamental and agonizing dilemma to Indonesia's policy makers" is how to finance growth and social programs since as the report put it "Indonesia has really no choice but to give the improvement of human resources the highest priority."

More money must be channelled into education, housing, health care and other social programs.

The solutions recommended by the World Bank were borrowing from abroad, a more open trade policy and internal reforms including a simplification of the investment and regulatory systems and a tax and pricing restructuring.

"Inadequacies in basic infrastructure--power generation and transmission, transport, communications and storage are increasingly serious constraints on continued rapid development," the report said.

Difficulties would be encountered in expanding the gross investment rate from a current level of 22 to 27 percent of the gross domestic product because of the fall in oil and non-oil revenues, it said.

It added that growth momentum was not immediately threatened by the current weakening in the international market.

CSO: 4220/647

MURTOPO ON ARCHIPELAGIC CONCEPT, SEA LAW

BK221409 Jakarta ANTARA in English 1124 GMT 22 May 82

[Excerpts] Jakarta, 22 May (ANTARA)--Acceptance of the Wawasan Nusantara (archipelagic state) concept by the 1973 general assembly of the national congress (MPR) and by the sea law conference in New York recently has expanded Indonesian territorial waters by 3 million square kilometres.

This was disclosed by Minister of Information Ali Murtopo to the press here Wednesday [19 May] in explaining the results of the cabinet meeting held the same day, which discussed the implications of the Wawasan Nusantara validation and a situation analysis submitted by the National Intelligence Coordination Agency (BAKIN).

The plenary cabinet meeting led by President Suharto and attended by Vice President Adam Malik also received reports about the implementation of various government policies and regulations.

Acceptance of the Wawasan Nusantara results in Indonesia not only owing it, but also having to maintain and defend it, and the additional 3 million square kilometres of territorial waters generates the problem of how to manage and safeguard the waters, Ali Murtopo said.

Big investments are needed to take care of and defend the vast territorial waters, let alone to explore and exploit the water expanse, he said.

The Indonesian people have to be given a motivation and brought to maturity through formal or non-formal education in order to be able to cope with the new territorial structure, which will clearly be the task of the Ministry of Information. The Ministry, therefore, has a heavy task before it to bring this about, he said.

From the domestic legal side, new legislation will be needed concerning Indonesian territory. Whereas before only lands were mentioned as Indonesian territory, this now should be made to include the inland seas and water also.

But there will be no need for changes in territorial division into provinces, because the seas managed by a separate agency and provinces do not include parts of the sea.

In the field of defence and national security, the Wawasan Nusantara concept calls for additional equipment and instruments beyond those now in existence. Expansion of the territorial waters also means adjustment of the air space, wherefore the armed forces branches to directly require further development will be the navy and the air force, he said.

Ali Murtopo also noted that Indonesia was able, through agreements with neighbour countries such as Malaysia, Singapore, Papua New Guinea and Australia, to establish an international jurisdiction with regard to international territorial sea and air boundaries.

CSO: 4220/647

'AFP' LINKS MOKHTAR'S TOUR TO TIMOR CAMPAIGN

BK230841 Hong Kong AFP in English 0715 GMT 23 May 82

[By Gilles Bertin]

[Excerpts] Jakarta, 23 May (AFP)--Indonesia has launched a diplomatic campaign to win world acceptance of its 1975 annexation of the former Portuguese colony of East Timor, a move that still sours Jakarta's relations with many countries.

Foreign Minister Mokhtar Kusumaatmaja left Indonesia yesterday for Rome where he will have talks with Pope John Paul II and other Vatican officials on a possible mediator's role for the Holy See in the dispute with Portugal, reliable sources here said.

Indonesia has in the last 7 years been regularly condemned for its invasion of East Timor during the annual debates held by the United Nations committee on decolonization.

The moves on the "Timor question" come at a time when President Suharto's regime is trying to shape a foreign policy less dependent on the United States, as shown by its reluctance to approve the nomination of Morton Abramowitz as U.S. ambassador to Jakarta.

Indonesia has maintained discreet contact with China with an eye toward the possible resumption of diplomatic relations. It has also kept up links with Vietnam in a bid to help find a solution to the problem in Kampuchea, where the Phnom Penh regime is backed by some 200,000 Vietnamese troops.

Diplomats here say that Indonesia appears to be increasingly cultivating an image as a moderating and active element in the mix of southeast Asian politics.

Foreign Minister Mokhtar was scheduled to see the Pope on Tuesday and then make a four-nation African swing to Senegal, Gambia, Gabon and Ivory Coast to explain to their leaders Indonesia's position on East Timor.

In an earlier effort to take the sting out of the Timor issue, Indonesia also recently invited journalists and former Australian Prime Minister Gough Whitlam to visit the island.

CSO: 4220/647

TRANSMIGRATION VITAL TO INDONESIA

Kathmandu THE RISING NEPAL in English 5 May 82 p 5

[Text] Jakarta: 'The transmigration programme of Indonesia has very few parallels in human history', a high ranking UN official said here recently.

His remark is no exaggeration. Indonesia's target for the current five year plan is to move 500,000 families or about 2.5 million persons to lesser populated areas throughout Indonesia for example to Borneo, Irian Jaya, the Molucca and Sumatra.

In general, areas where the population density is less than 100 persons per square kilometer have been chosen for transmigration.

It has been calculated that for 500 families there is a need for 3,000 hectares of ground and this means that during the five year plan projected till 1984 some three million hectares of land have to be cultivated, 500,000 houses to be built and other facilities like schools, hospitals and government offices to be set up.

Increasing poverty under the rural population, especially in Java Indonesia's most densely populated island with more than 76 million inhabitants in Madura and Bali, made it necessary for this massive removal of Indonesians.

For, on Java alone some 6.6 million families have no land, others only have 0.5 hectares, not enough to feed the family.

Transportation of these people to their new destinations is a logistic problem with enormous implications.

In the first year of the Repelita (the acronym of Rencana Pembangunan Lima Tahun five year development plan) 50,000 families have been transmigrated. In the coming years 75,000, 100,000, 115,000 and 150,000 respectively, will be moved by land and air.

Most of the transmigrants reach their new homes in Hercules planes. The government has three Hercules at its disposal which have to make three flights a day to move a unit of 500 families. One Hercules plane can only take 160 persons. Other transmigrants reached their new destinations by train or by boat.

There is a slight stagnation in transportation due to lack of coordination between the department of public works which is responsible for the land clearing, the Department for Communication (transportation) and the Department of Transmigration which has to select the candidates.

But Minister for Transmigration Harun Zein is optimistic about the success of the project. At the end of the five year plan, he estimated, the target of 500,000 families will have been reached.

The transmigrants are well prepared for their new lives. To overcome the hardships of the first years of their stay in their new homes the transmigrants get a technical education.

The authorities take good care that there is a resemblance between the new place and the village where they used to live for generations. This is to make their adjustment to the new environment easier.

To smooth integration between the transmigrants and the existing communities ten per cent of the cleared area have been reserved for the local people, so that both ethnic groups can get to know each other better.

A transmigration camp remains under the supervision and responsibility of the department for transmigration for five years. After that period it will be integrated in the local administration.

Thousands of people have already been transmigrated in the past. Between 1960 and 1965 some 100,000 families were moved, and about 127,000 between 1974 and 1977.

But many returned to the original villages because of the hard life and because they missed their familiar surroundings.

An equal spreading of the population is most important for Indonesia, because 65 per cent of its estimated 147 million inhabitants are living on Java which has a population density of 633 per square kilometre, while only 35 per cent live outside that island with an average population density of 26 per square kilometre.

Therefore, the transmigration project is a matter of life and death for this country, and the government is working against the clock. If there is a serious stagnation in transmigration, Indonesia will be in trouble-in spite of efforts to control it, the birth rate is 2,34 per cent, a comparatively high figure.

If nothing is done about the situation, Indonesia will have more than 250 million people in the year 2000.

A prominent professor from the University of Gajah Mada in Jogjakarta, central Java, has said that by that time the population of West Java will be left without standing room.

He is very pessimistic about the success of the transmigration programme which has to be implemented within five years. During the same time, however, the number of people living in the island will already have increased by 9.3 million, excluding newcomers.

The target of family planning in Indonesia now should no longer be three children per family, but only two, the professor urged.

CSO: 4220/615

BRIEFS

ASEAN MILITARY COOPERATION REPORT DENIED--Jakarta, 18 May (AFP)--Foreign Minister Mokhtar Kusumaatmaja today denied a local press report which quoted him as saying Monday that "military cooperation between ASEAN member countries could be established if Vietnam did not change its aggressive attitude," likely to "endanger ASEAN sovereignty," the EVENING Sinar Harapan reported today. Mr Mokhtar told newsmen at the foreign office here he had been misquoted by the DAILY KOMPAS after speaking in Semarang, central Java on Monday, at an association of Southeast Asian nations symposium. What he had said was that "bilateral military cooperation between ASEAN member countries did not matter because each member country has a right to self-defence. And nobody can deny the right of ASEAN member countries (Malaysia, the Philippines, Singapore, Thailand and Indonesia) to self-defence," Mr Mokhtar said. "Bilateral cooperation between the five member countries of the association of southeast Asian nations is economical and cultural and was never meant to be directed to military cooperation," he added. [Text] [BK181317 Hong Kong AFP in English 1303 GMT 18 May 82]

TANKERS FROM JAPAN, ROK--Jakarta, 18 May (AFP)--The Indonesian state oil monopoly Pertamina will take delivery of tankers from Japan and South Korea starting October this year as part of its bid to expand its fleet. The ships, 5 of which are of 30,000 deadweight tons and the others of 17,500 tons each, have been especially designed by Pertamina to make them fit for use in Indonesian waters, the company's shipping director Indra Kartasasmita told newsmen here yesterday. Built at a cost averaging some 1,000 U.S. dollars per deadweight ton, the ships are to have a draft of 7 metres for the smaller class and 9 metres for the bigger ones. He said, to suit generally shallow port approaches to the country. Pertamina has also ordered five 3,500 ton tankers from domestic shipyards at a cost of 6 billion rupiahs (9.6 million U.S. dollars) each, partly financed with Japanese export credit. The company now operates a total self-owned fleet of 78 tankers of 1.2 million deadweight tons, and 98 ships on charter of 2.9 million tons. [Text] [Hong Kong AFP in English 1332 GMT 18 May 82 BK]

CSO: 4220/647

RICE SALES, TAXES PAID TO STATE NOTED IN MEDIA REPORTS

[The following information is extracted from the Vientiane media on the dates indicated following each entry in parentheses in the remarks column. Abbreviations used: SP=SIANG PASASON; VM=VIENTIANE MAI; KPL=KHAOSAN PATHET LAO; BQ=BULLETIN QUOTIDIEN]

LOCATION	REMARKS
Sanakham District, Vientiane	People have sold or exchanged for goods more than 4,500 tons of rice to state. A total of 425 tons were paid as taxes. (SP 27 Apr 82 p 1)
Houa Phan Province	State purchasing organizations have brought in goods for exchange and have purchased 3,630 tons of rice from farmers. More than 3,800 tons of rice were paid as taxes which is 108.2% of the state plan (SP 24 Apr 82 p 1)
Nationwide	Since the beginning of 1982 until 20 April, still incomplete figures of the Lao Trade Corporation of the Ministry of Industry and Trade state that a total of 73,370 tons of rice paid as tax, by the state. Of that amount, more than 45,940 tons was tax. The campaign to purchase or exchange rice is continuing. To promote rice exchanges, the state is supplying bicycles, textiles, clothing and other consumer goods to the provincial trade sectors for the people. (SP 23 Apr 82 pp 1, 3)
Louang Namtha Province	As of beginning of April, people have sold more than 670 tons of rice to state. The purchasing campaign continues (KPL 22 Apr 82 p A 5)
Nasaithong, Vientiane Capital	Farmers have paid 660 tons in taxes, also sold 380 tons of rice to state. (SP 12 May 82 p 1)

Khanthabouli, Savannakhet	December 1981 to April 1982 farmers have sold and exchanged for goods to the state nearly 400 tons which has been stored in state granaries (SP 12 May 82 p 1)
Atsaphangthong, Savannakhet	Farmers have sold or exchanged for goods to state 600 tons of rice from February to April (SP 11 May 83 p 1)
Khoun District, Xieng Khouang	Farmers have sold or exchanged for goods to the state 120 tons of rice from February to April (SP 11 May 82 p 1)
Saithani, Vientiane Capital	State collected 600 tons of rice as taxes, 140 tons were purchased by the state and more than 630 tons were exchanged for goods (VM 11 May 82 pp 1, 4)
Xieng Khouang Province	State purchased more than 950 tons of rice of which more than 400 tons came from Kham District (SP 10 May 82 p 1)
Hatsaifong District, Vientiane Capital	In April, farmers sold 311 tons of rice to the state (VM 7 May 82 p 1)
Mok District, Xieng Khouang	As of end of March 105 tons of rice were paid as taxes or sold to state. Another 21 tons were exchanged for goods (SP 7 May 82 p 1)

CSO: 4206/49

GHAZALI, SHRIDATH RAMPHAL DISCUSS COMMONWEALTH

BK171018 Kuala Lumpur International Service in English 0800 GMT 17 May 82

[Text] The minister of foreign affairs believes the Commonwealth can serve as an effective machinery to bridge the gap between rich and poor nations in bringing about a more equitable international economic cooperation. Tan Sri Ghazali Shafie says the Commonwealth itself can be termed as Cancun representing countries from North and South which can cooperate meaningfully with their industrialized counterparts. The developed members in turn are taking the lead to provide access to their developing partners to advance their state of economy. These views were expressed by Tan Sri Ghazali during his discussions with the visiting Commonwealth Secretary General Sir Shridath Ramphal who paid him a courtesy call at the Foreign Ministry today.

The ministry secretary general, Tan Sri Zakaria Ali, told newsmen later that apart from discussing the Commonwealth movement in general, the two leaders agreed that the Commonwealth could contribute significantly to the cause of North-South dialogue.

Sir Shridath raised the question of assistance to small Commonwealth states, particularly those in the Pacific. Tan Sri Ghazali strongly subscribed to the scheme. He said apart from initiating the setting up of the Commonwealth fund for technical cooperation to implement the scheme, Malaysia on its own had provided various forms of technical assistance to smaller commonwealth countries.

Tan Sri Zakaria said the minister had drawn the attention of the Commonwealth to the presence of a group of countries that could be at the receiving and giving ends of assistance. This group, which included Malaysia, occupied the middle portion of the North-South divide and could assist others lower down the development ladder.

Sir Shridath also discussed with Tan Sri Ghazali the preparations for the next Commonwealth heads of government regional meeting in Fiji later this year. Sir Shridath Ramphal then paid a courtesy call on the prime minister, Datuk Sri Dr Mahathir Mohamed, at his office in Parliament House.

CSO: 4220/647

MALAYSIAN PAPER ON SETUP OF TIN PRODUCERS ASSOCIATION

BK190849 Kuala Lumpur NEW STRAITS TIMES in English 17 May 82 p 16

[Editorial: "Hard Times"]

[Text] Consumer countries may be quick to denounce the move to form a tin producers' association should the sixth International Tin Agreement [ITA] fail to come into force as a confrontational stand that can be likened to OPEC's cartel. Viewed objectively, it can only be recognised as a necessary defensive measure in a critical situation where continued accommodative stances by tin producing countries find no worthy parallels in high-powered consumer camps, particularly the United States. Whatever the protestations, the events of the last few years and months speak for themselves. Ever since its entry into the fifth ITA, the United States, the world's largest tin consumer, has acted more at variance than in compliance with the ITA's aim to maintain order in the tin market in the mutual interest of both producers and consumers. Despite producers' pleas in 1977 to release tin from its stockpile to ease the prevailing shortage, the GSA refused to do so. In 1981, it ignored requests to suspend sales of its stockpile because of over-supply. Its dumping of 100 tonnes of tin on a weak world market on the very day when tin export controls became mandatory and only the day after the Penang tin metal price hit \$29 per kilo--15 cents less than the international tin council floor price--speaks more eloquently than U.S. assertions that it will cooperate despite opting out of the sixth ITA.

That Malaysia, Indonesia and Thailand see the association only an alternative to the sixth ITA not coming into force is itself a compromising gesture. For it is without question that such an association would mean not just greater concerted efforts in research and development but particularly greater clout at the negotiating table. It would in fact be to their best interests if producer nations view the association not as a fall-back measure but as an essential body if they are to extract fairplay from countries like the United States.

CSO: 4220/647

BRIEFS

JANUARY RUBBER EXPORT--Export of rubber by Peninsular Malaysia to the United Kingdom, the Federal Republic of Germany and India in January this year amounted to 29,700 tons, an increase of more than 15,000 tons compared to the figure for last December. Export for the United Kingdom rose from 6,400 tons to more than 13,500 tons. The purchase by Germany went up from 7,800 to 13,200 tons, while India bought slightly more than 3,000 tons in January compared with about 410 tons in December. According to latest preliminary figures of the external trade issued by the statistics department, the export yielded 57.7 million ringgit in revenue. This represented about 25 percent of the total value of rubber export. Export of rubber to Argentina, Australia, Mexico and Czechoslovakia showed marginal increases. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 19 May 82]

ALUMINUM PROJECT IN MALAYSIA--A joint Australian and Japanese team is not in Malaysia for talks with senior officials on the possibility of setting up an aluminum smelter using the country's potential hydroelectric power. The mission is being led by the deputy chairman of CRA [expansion not clarified], Sir (Russell Madigan), and the managing director of the Sumitomo Aluminum Smelting Company, Dr (Ikeda). Radio Australia's Kuala Lumpur correspondent Wong Puan Wah says the two companies are interested in setting up an aluminum smelter in the east Malaysian state of Sarawak using the hydroelectric potential of its rivers, in particular the Rajang and its tributaries. He says the hydroelectric potential of the Rajang is staggering and could supply energy for as many as 100 aluminum smelters or the current energy needs of the five countries of the association of southeast Asian nations. [Text] [Melbourne Overseas Service in English 0830 GMT 18 May 82 BK]

RUBBER COUNCIL MEETING--Delegates to the Association of Natural Rubber Producing Council Meeting in Kuala Lumpur have decided that the natural rubber agreement must be strengthened to ensure that it meets its objective to provide stability in the price of the commodity. They also agreed on the need to take some form of remedial action to prevent any erosion of the rubber price and to hasten recovery of the market. The chairman of the Malaysian rubber development board, Tan Sri Dr B.C. Sekhar, who is also a member of the 16-member Malaysian delegation, said measures to remedy the commodity situation were being worked out by the participants. About 35 delegates from 6 countries are taking part. The meeting is being chaired by Mr T. Verma of India. The other four countries attending are Indonesia, Sri Lanka, Thailand and Singapore. [Text] [BK200905 Kuala Lumpur International Service in English 0800 GMT 20 May 82]

'COMMONWEALTH CAN BE MEANINGFUL'--The commonwealth can be a meaningful body if there is a political will and desire among its members to cooperate and assist each other. Minister of Foreign Affairs Tan Sri Ghazali Shafie said economic development and international security are interlinked and inseparable. The richer member countries in the commonwealth must be prepared to provide more opportunities for trade development and industrialization expansion to developing countries. Otherwise, the economic situation will deteriorate, Tan Sri Ghazali said this when opening the sixth commonwealth youth affairs council meeting in Kuala Lumpur today. He regretted that the commonwealth heads of government meeting had not given adequate emphasis towards understanding the problems of underdevelopment and poverty. Therefore, he said the meeting was vital to inculcate the values and ideals of commonwealth cooperation among youths. Their participation would ensure continued growth and progress of the organization as an important factor in international cooperation. Earlier, commonwealth Secretary General Ramphal said Malaysia's technical assistance program to small states in the Pacific was a model of practical service developing countries could render to each other. More than 60 participants from 26 member countries are attending the meeting. [Text] [BK181020 Kuala Lumpur International Service in English 0600 GMT 18 May 82]

RUBBER WITHHELD FROM MARKET--The Association of Natural Rubber Producing Countries has proposed that 350,000 tons of rubber should be withheld from the market over a 6-month period. Measures to achieve the objective may include tapping holidays, ban on the use of [words indistinct], accelerated replanting and increased national stockholdings. This was disclosed in a statement issued in Kuala Lumpur this evening after a 2-day meeting of the association. The statement said that different producing countries could adopt their varied strategies to contribute their share toward achieving the objective. It explained that the measure was necessary to improve the export earnings and alleviate various economic problems of smallholders of member countries. An urgent meeting of the association should be held not later than the first week of July to plan strategies for immediate implementation. The statement also said member countries felt consumers has failed to give due recognition to the need to instill confidence among rubber producers to ensure long-term supplies. Inflation and rising cost of production had also eroded this confidence and adversely affected the economic viability of the industry. It was agreed that the international natural rubber organization buffer stock operation failed to produce the requisite impact on the market. This was in spite of having accumulated stock in excess of 140,000 tons. [Text] [BK211423 Kuala Lumpur Domestic Service in English 1130 GMT 21 May 82]

MISSIONS IN SOUTH PACIFIC COUNTRIES--Malaysia's policy to develop relations with smaller developing countries will be further enhanced with the opening of missions in Suva, Fiji, and Port Moresby, Papua New Guinea. Stating this in Kuala Lumpur today, the Malaysian high commissioner designate to Fiji, Encik Abdul Karim Marzuki, said Malaysia hoped to cover the entire South Pacific region. The government had not named the Malaysian high commissioner to Papua New Guinea, but it had already opened its mission at Port Moresby headed by a charge d'affaires, (Encik Mohamed Rusdi Rahman). Encik Abdul Karim said that the setting up of the mission was a clear proof of Malaysia's desire to intensify cooperation with developing and small island countries in the Pacific.

He added that in view of the increasing protectionism among developed and industrialized countries, Malaysia was formally advocating closer cooperation among developing countries to overcome their common problems. [Text] [BK211315 Kuala Lumpur Domestic Service in English 1130 GMT 21 May 82]

MAHATHIR ADDRESSES MCA MEETING--Datuk Sri Dr Mahathir Mohamed says the existing machinery to run the country has worked very well. It is, therefore, the responsibility of the people to keep it moving smoothly. In this connection, the prime minister called on all races to find ways and means to cooperate in areas which bring about success for the nation. The prime minister said the present system of machinery could not be changed drastically by taking away from others what has been previously given. The wealth should be shared equally. He added that by working in harmony, the country would be able to stand on equal footing with other developed nations. Datuk Sri Dr Mahathir was speaking at the opening of the Malayan Chinese Association meeting in Kuala Lumpur today. [Text] [BK230803 Kuala Lumpur International Service in English 0600 GMT 23 May 82]

CSO: 4220/647

ABD LOANS FOR ELECTRIFICATION, CROP PROGRAMS

Kathmandu THE RISING NEPAL in English 2 May 82 pp , 6

[Text] Kathmandu, May 1: The Asian Development Bank is to provide Nepal assistance worth 481.60 million rupees (37.05 million US dollars) for implementation of four projects such as fourth power project, rural electrification programme, command area development and crop intensification programme, reports RSS.

Four separate agreements to this effect were signed yesterday in Manila, the Philippines, between His Majesty's Government of Nepal and the Asian Development Bank, Foreign Ministry sources said, here today.

The agreements were signed by Minister for Finance, Commerce and Supplies Dr. Yadav Prasad Pant who is currently participating in the 15th annual meeting of the Board of Governors of the ADB in Manila.

Under the first agreement the Asian Development Bank will provide US dollar 19.4 million , as loan assistance for the implementation of the fourth power project.

The assistance is provided for the construction of about 225 KM. double circuit 132 Kv electric transmission line from Butwal to Nepalgunj and four substations at Butwal, Shivpur, Lamahi and Nepalgunj.

The total cost of the project is US dollar 23.4 million (about Rs. 204.30 million).

The project is expected to be completed by July 1986. It may also be noted that the French Government has agreed to finance Dumkibas-Butwal portion of the project.

United Nations Development Programme (UNDP) will provide grant assistance of US dollar 1 million (Rs. 13 million) for meeting the cost of consultancy services and training programme.

Under the second agreement the Asian Development Bank will provide grant assistance of US dollar 0.15 million (Rs. 19.40 million) for the preparation of a ten-year rural electrification programme.

Under the third agreement, the Asian Development Bank will provide US dollar 13.5 million (Rs. 175.50 million) for command area development project.

The project envisages to develop command areas of Banganga, Gandak West Canal and Manusmara Irrigation Project by maintaining existing canals, constructing branch canals and farm ditches and warehouses of about 1,800 metric tons capacity.

Agriculture Development programme and provision of 7,000 metric tons of fertilizers are also included in the projects.

Total cost of the project is estimated at US dollar 31 million of which International Fund for Agriculture Development (IFAD) will provide US dollar 11.1 million as loan and UNDP US dollar 1.2 million as grant technical assistance.

Under the fourth agreement, the Asian Development Bank will provide US dollar 4.0 million (Rs. 52 million) as loan for the purchase of chemical fertilizers under the crop intensification programme.

The programme envisages to raise agricultural production of 375,000 hectares of land in Rautahat, Bara and Parsa district and construct warehouse of 2,000 metric tons capacity at Chandranigahpur in Rautahat district.

The loans of the Asian Development Bank, carry a service charge of 1 percent.

The loan for crop intensification programme is repayable in 25 years including a grace of 8 years whereas the two loans are repayable in 40 years including a grace of 10 years.

CSO: 4220/615

SOVIET AID FOR RESIN-TURPENTINE INDUSTRY

Kathmandu THE MOTHERLAND in English 1 May 82 p 1

[Text] Forest and Soil Conservation Minister Ramananda Prasad Yadav laid the foundation stone for the rasin and turpentine industry to be built with Soviet assistance at Ataria of Kailali district recently.

The industry to be set up at an estimated cost of 90 million rupees is expected to enter into production within the next two years and provide employment to more than 20 thousand people.

While the Soviet Union will provide assistance of 54 million rupees (three million roubles) and technical assistance for establishment of the industry, His Majesty's Government will bear out local cost involving 36 million rupees.

A 2,800 metric tons capacity rasin processing machinery and a 625 metric ton capacity turpentine processing machinery will be installed at the factory.

Speaking at the foundation laying ceremony, Minister Yadav lauded the interest evinced by the Soviet Union in socio-economic development of developing countries such as Nepal and said that the rasin turpentine industry was symbolic of the friendship between Nepal and the Soviet Union.

CSO: 4220/615

MAGNESITE EXPLOITATION STARTS

Kathmandu THE RISING NEPAL in English 6 May 82 p 1

[Excerpt]

Kharidhunga (Dolakha), May 5:

Rubble. Broken bits and pieces of rocks present a scene of reminiscent of the aftermath of a war. A haven of calm in yesteryears, Kharidhunga has lost its primeval silence as sounds of dynamite explosions reverberate every so often in these hills.

The first explosion was carried out on April eleven and a number of subsequent dynamite blasts carried to unearth magnesite deposits in a number of neighbouring hills. Indeed, going by stated claims, if the present proven deposits were mined it will transform Nepal into one of the major magnesite producers of the world.

Minig engineers working at the mine site told a group of visiting newsmen from the capital here yesterday that a total of 180 million metric

tonnes of the mineral was estimated to lying snugly in the ample bosom of these hills.

A considerable portion of the proven mineral deposit is reportedly of "cosmetic grade" and is to reportedly found no where else but Brazil.

For the present, however, only 120 metric tonnes of magnesite will be mined out and the rest would be unearthed later.

Presently an area of about one square kilometre has been earmarked for mining which is divided into four sectors for working convenience.

A kiln plant is to be set up in Lamo Sangu, about thirty two kilometre from here where raw magnesite will be burnt and a total of twenty thousand metric tonnes refractory brick s will

be produced at the refractory plant to be set up at Birgunj out of the Dead Burnt Magnesite (DBM) to be produced by the Lamo Sangu kiln.

In order to transport the raw mineral to the proposed Kiln in Lamo Sangu an eleven kilometre long ropeway system is to be established.

Although, neither of these plants has been set up in Nepal as yet, His Majesty's Government has reportedly permitted the transportation of some raw magnesite to India where the concerned mining company will carry out necessary chemical analysis of the mineral and explore market possibilities there.

Initially, ten thousand metric tonnes of the raw mineral is permitted to be taken to India, sources in the Department of Geology and Mine in Kathmandu say.

BRIEFS

OPEC AID TO NEPAL--Kathmandu, May 3: Minister for Finance, Commerce and Supplies Dr. Yadav Prasad Pant has said that if Nepal can improve its project implementation capacity the OPEC (Organisation of Petroleum Exporting Countries) fund sees the possibility of stepping up its assistance to Nepal by up to 70 million rupees annually from the coming year, reports RSS. This was indicated during discussions with representatives of the OPEC fund held in Manila at the 15th annual conference of the Asian Development Bank board of governors by leader of Nepalese delegation Dr. Pant and members. [Kathmandu THE RISING NEPAL in English 4 May 82 p 1]

CURBING BORDER CRIMES--Janakpurdaam, May 6--Nepalese and Indian police officials yesterday held elaborate discussions on ways for controlling crimes along the border regions of the two countries, reports RSS. The Nepalese side was led by Superintendent of Police Dwarika Bahadur Shrestha and the Indian side was led by the Deputy Inspector General of Police Tarkeswore Prasad. The meeting was also participated in by police officers of Mohattari and Sarlahi districts of Janakpur Zone and high ranking Indian police officers from Madhubani and Jayanagar. The two sides have taken some concrete decisions on matters relating to controlling crimes along the border regions as well as criminals absconding in their respective regions, according to the Janakpur zonal police office. Discussion on pending criminal cases were also held on the occasion. Earlier police officers of Dhanusha, Mohattari and Sarlahi districts held a meeting at the zonal police office. [Kathmandu THE RISING NEPAL in English 7 May 82 p 6]

CSO: 4220/615

ZIA HOPEFUL ON EFFORTS FOR A NEW POLITICAL PROCESS

Karachi DAWN in English 12 May 82 p 1

[Article by Shamsul Haq]

[Excerpt]

QUETTA, May 11: President Gen. Mohammad Zia-ul-Haq said here today that efforts were being made to take the political process forward with the association of patriotic people by adopting a procedure which could be truly Islamic and free from the weaknesses of the past.

He hoped that all difficulties would be over by evolving such a comprehensive system.

The President while replying to a question as to what steps were being taken to revive the spirit Pakistan movement and promotion of political process in the country said that unfortunately the organisation which had helped create Pakistan could not maintain momentum of such a movement as well as its own stability. Experience of the past 35 years, he added, had showed that politics in the country had not been running on proper lines. He said that it was lacking the required spirit of service of the nation and country.

JUDICIAL SYSTEM

The President said that his Government was making all out efforts to ensure that justice could be made available at the door steps of the people. The existing laws, he added, would

be replaced with the Islamic system of justice.

The President told a news conference in Quetta today that the Government was examining as to how could the superior courts, lawyers, Qazis and the existing laws which were not repugnant to Islam be absorbed in the future Islamic judicial setup. He said that it was essential that there should be de-centralisation of administration and simplification of procedures in order to check corruption, maladministration and red-tapism. Necessary steps, he pointed out were being taken to weed out corruption from society.

TEACHERS' DEMANDS

President Zia while replying to a question about the teachers demands and their strikes said that although it was a provincial subject, he had given assurances to the teachers organisations that the Government would sympathetically consider their demands provided they called off their strike. He said that the teachers strike had really pained him.

He said that it could not be expected of teachers to take recourse to such an action and ignore their prime responsibility of preparing the younger generation to assume future leadership of the country.

The President said that the Government was endeavouring to protect the interests of all sections of society within the available resources of the country.

ZIA ASSURES ALL AID TO REFUGEES

Karachi DAWN in English 11 May 82 pp 1, 12

[Text]

QUETTA, May 10: President Gen. Mohammad Zia-ul-Haq has said Pakistan is looking after Afghan refugees on humanitarian grounds in the Islamic traditions of Mohajirs and Ansars, and added that Pakistan would continue to provide succour to them till they were able to return to their homes in honour and safety.

He said that it was in fact "our religious duty to give shelter to our fellow Muslim brethren, particularly from our neighbouring country, because Pakistan had been created in the name of Islam".

The President, who visited an Afghan refugee tentage village at Panjpai in the Quetta district this afternoon, said in an informal chat with elders of the Afghan refugees that the people of Pakistan were doing their best, both individually and collectively, to lessen the sufferings of their Afghan brethren taking refuge in Pakistan.

He asked them to pray Allah for creation of conditions conducive to their return to Afghanistan in an atmosphere of freedom.

President Zia said Pakistan

was grateful to Muslim countries, the United Nations and other friendly countries. For extending a helping hand to provide relief to the Afghan refugees. However, he pointed out the main burden was being borne by Pakistan itself. The problem of Afghan refugees was engaging utmost attention of the Government and people of Pakistan, to see as to how best they could help their Afghan brethren in hour of distress, he stated.

The elders of Afghan refugees thanked the President, the Government and people of Pakistan for the way they had been espousing the cause of the people of Afghanistan. They said that but for Pakistan they would not have been able to seek shelter following foreign intervention in their country, and added that they would never forget the hospitality shown to them by Pakistan.

They also thanked the President for Pakistan's efforts to seek a political solution of the Afghanistan problem. They said they were grateful to the Government and people of Pakistan for championing their cause at international forums.

CSO: 4220/637

NO POSSIBILITY OF ELECTIONS, SAYS ZIA

Karachi DAWN in English 13 May 82 p 1

[Article by M. A. Mansuri]

[Text]

ISLAMABAD, May 12: President Mohammad Zia-ul-Haq today said it was better if the people stopped talking about elections because "for the time being there is no possibility of holding elections".

Talking to newsmen after inaugurating the two-day local bodies convention here, the President said he was in search of talent which was necessary for democracy from the Islamic viewpoint. Exercise is going on to determine what is the standard and level of democracy in Islam, and who should be entrusted with the task, he added.

He said democracy is "nobody's monopoly". He had said a few things during the past few days to find out the people's reaction, and he found it extremely favourable. Now it should be understood by all that there is no possibility of holding elections in the near future. "We will re-open the subject at suitable time".

A newsmen asked if it was possible to set up democratic institutions on division level, doing

away with provincial governments. The President replied that this had been experimented very successfully in Nigeria. The President said he will refer the suggestion for analysis to the relevant agencies.

A little earlier, newsmen approached the President in the Majlis-i-Shoora restaurant where the guests had assembled for tea, and a reporter asked the President why he had said things about elections which inspired hopes among the people, and then came out with different statements the next day which caused disappointment. The President said: "It is better if this talk is closed. No more comments on elections. There is no chance of elections."

He said the elections are meant to produce results and it is his responsibility to ensure that the results are positive. He has no instrument which could tell him when elections should be held.

The newsmen gathered around the President again a little later, and one of them, who was not present at the earlier chat, asked him if it was true that he had said that there was no chance of elections and there

should be no talk about them. On the President's reply in the affirmative, the newsmen said: "please ask them not to publish it, for God's sake. It will lead to serious misunderstandings". The newsmen also said: "Your proposal in your inaugural speech this morning that candidates for provincial and Federal elections should have been councillors at local bodies level is very sound and should be given a chance".

The President said these are all proposals and no decision has so far been taken on them.

He said what he meant in his earlier chat with the newsmen was that for the time being there was no possibility of holding elections, and newspapers and politicians should stop talking about them. For so many days, the newspaper headlines talked only about elections, he remarked and added that there were many other topics also to talk about.

Replying to a question, the President said he will take three/four days more to study the report of the Islamic Ideology Council about the future political system.

NORMALIZATION OF PAKISTAN-INDIA RELATIONS: CONFERENCE PLANNED

Islamabad THE MUSLIM in English 15 May 82 p 1

[Article by Salim Bokhari]

[Text] ISLAMABAD, May 14: Despite difficulties, relations between India and Pakistan seem to be moving in a 'positive direction' and both the countries are encouraging efforts to increase people-to-people contact, a well-informed source disclosed to The Muslim here today.

After a short pause they have renewed their efforts by sending senior journalists on exchange visits and the main purpose behind these visits is to provide opinion-leaders of both the countries a better understanding of each other's views. In this connection three journalists from India recently visited Pakistan recently. They included Rajendra Sareen of 'Public Opinion Trends' which publishes a regular news-letter based on clippings from Pakistani newspapers, Kuldip Nayyar, a renowned national columnist and Suman Dubay, Managing Editor of 'India Today'. Two senior journalists from Pakistan are in India these days with the same objective.

The Indian Newspapers Editors Guild has also invited a delegation from the Council of Pakistan News-

papers Editors to visit India sometime next month. It has also proposed that later a reciprocal visit of the Indian newspapers Editors will also take place. The expenditure will be borne by the Guild.

It may be recalled that both Indian President Sanjiva Reddy and Prime Minister, Indira Gandhi have expressed their desire to resume talks on no-war-pact. The second round of talks on no-war-pact between the two countries was unilaterally put off only a few days before its scheduled date. These were to be held in Islamabad at Foreign Secretary level on March 1 this year.

Mrs. Gandhi is reported to have said that she was writing a letter to President Ziaul Haq proposing resumption of talks for normalisation of relations by setting up a Joint Commission while proceeding side by side with the no-war-pact proposal made by President Zia.

The Foreign Minister Sahibzada Yaqub Khan, on his return to Islamabad from his visit to People's Republic of China, had said that Pakistan would welcome any initiative from the Indian side for the resumption of talks on no-war-pact.

Meanwhile, preparations are

afoot to hold a high-level conference in November 1982 in Islamabad, which President Ziaul Haq is likely to inaugurate. This is an "International Conference on Peace and Security in South Asia", according to a knowledgeable source here.

The Conference would be sponsored by the Institute of Strategic Studies, which is an autonomous foreign affairs research organisation based in Islamabad. The Conference will have participation by leading scholars from Pakistan, United States, People's Republic of China, Soviet Union, India, Bangladesh and Indonesia. This probably will be the first conference of its kind to be held in Pakistan.

Moreover, it is significant that scholars from Soviet Union and India will also be present at the November Conference. This Conference will no doubt, also provide an opportunity for exchange of views on all such matters that affect the region as a whole. All these steps are seen as "significant elements" of the government's efforts to defuse tension in this region and to initiate contact with opinion-leaders of the participating States.

GOVERNMENT COMMISSIONS RESEARCH PAPER ON PAKISTAN MOVEMENT

Karachi DAWN in English 12 May 82 p 5

[Text]

ISLAMABAD, May 11: The six-member committee comprising Pakistani intellectuals and writers, set up by the Government to write a research paper on "Pakistan and its Historical Background" are expected to submit their paper to the President General Mohammad Zia-ul-Haq.

The contents of the research paper would be later projected through a puppet show to be organised by the Pakistan National Council of the Arts (PNCA). The committee had been set up by the President after he along with other Cabinet members had seen a puppet show which depicted the story of Pakistan Movement.

The President had desired to project the tale of Pakistan Movement through puppets more effectively and tastefully all over the country.

Noted writers and intellectuals had been assigned the job to prepare a comprehensive script giving a complete picture of Muslim civilisation.

Confirming the news, Dr Khalid Saeed Butt, Director-General PNCA, who is also the convener of the committee said the script besides Pakistan Movement also covers the old civilisation of Sind including Mohammad Bin Qasim era.

When asked whether puppet show was repugnant to Islam, a member of the committee, Mr Saleem Ahmed, said puppets mean nothing but dolls, which were a part of Islamic civilisation. He quoted Aisha Siddiq, wife of Holy Prophet (peace be upon him) who was very fond of dolls, Saleem Ahmed said.

ISHAQ ON THE PRIVATE SECTOR MOMENTUM

Karachi DAWN in English 11 May 82 pp 1, 4

[Text] ISLAMABAD, May 10: Mr Ghulam Ishaq Khan, Federal Finance Minister, has said the private sector investment in industries had doubled in the past three years which indicates the growing confidence of the private sector in the Government policies.

He made this observation during his meeting with the four-member US private sector mobilisation mission here today.

He said the private sector, which had lost its vibrance and vitality, had picked up momentum in the past few years. He said the present government had initiated numerous measures to revive and consolidate the role of the private sector in the national economic development drive.

Explaining the rationale of the economic strategy being pursued by the Government, the Finance Minister said that it was designed to achieve economic progress and social justice. He said investment was primary instrument to achieve these objectives and the Government had clearly demarcated the role of both the public and private sectors for the fuller utilisation of this instrument.

Mr Ghulam Ishaq Khan said the Government was giving preferential treatment to the private sector and wanted to stimulate its growth. He said in line with this approach, the Government had restored as many as 3,470 agro-based units to their original owners which were nationalised by the previous regime.

He said that the Government was encouraging greater involvement of the private entrepreneurs, especially in the engineering goods and agro-based industries, which offered immense scope and opportunities

for them.

He said the Government policies have started yielding positive results in the industrial and large-scale manufacturing areas in the private sector investment. He hoped the private sector would gather further momentum in response to the package of incentives and concessions extended to it.

Mr Ghulam Ishaq Khan highly appreciated the assistance rendered by the United States to the development effort of Pakistan. He said the bilateral economic cooperation not only brought good to Pakistan but also strengthened the cordial relations between the two countries. He said he expected the mission to guide and assist Pakistan in its endeavours to develop a sound technological base.

The Deputy Chairman of the Planning Commission, Dr. Meh-bubul Haq, informed the mission that the Government was considering to streamline the procedures for greater private investment mobilisation in the country. He said the Government believed in boosting the private sector enabling it to make concrete contribution towards achievement of socio economic progress. He said the needs, con-

straints and problems faced by the private sector were being currently examined and analysed in the Planning Commission to realise coveted national economic goals.

Dr. Mehbubul Haq identified survey skill formation, better management through development of training and expertise, improvement of technology and marketing facilities as areas where the U.S. assistance would help mobilisation of the private sector.

Mr Richard Crisler, leader of the mission, stated that the purpose of their visit to Pakistan was to discuss with the authorities the channels for utilisation of the private sector potential of the country. He said in this connection they would assess the situation and the ways to help to Pakistan achieve its larger private sector mobilisation targets.

He said the present mission would be followed by others to maintain a constant contact with the Government and private sector representatives of the country.

The meeting lasting nearly two hours was also attended, among others by Secretaries for Finance and Economic Affairs.

CSO: 4220/637

BEGUM LIAQUAT SEEKS DIALOGUE WITH ZIA ON WOMEN'S CONDITION

Karachi DAWN in English 12 May 82 pp 1, 4

[Text]

In a letter to President Gen Mohammad Zia-ul-Haq, Begum Ra'ana Liaquat Ali Khan, President, All-Pakistan Women's Association, has called for a dialogue "between you as Head of State and me as the leader of the women of this country" on the status of women, who constitute half of the country's population. Noting that the women "stand threatened" and are being considered "undignified subordinates in a male-dominated society", Begum Liaquat expressed APWA's intention to unify all women's organisations to advance the cause of women.

In a letter written to the President in April, and released to the Press today, the APWA President wrote:

"The position of women has become the talk of the day. The role of women is being discussed. The status of women in an Islamic society is under debate. Keeping this situation in view, a number of women and some organisations have approached me to clarify the stand, to give advice, to lead and to provide guidance to the present and future generations and to posterity.

"APWA has stood for the uplift of women, for women's rights and for the dignity of women in society, as a worker, as a member of the family and, above all, as a mother. Keeping in view the Islamic values and cultural heritage, APWA has played a positive role. This role has no doubt been confined to community development and much-needed social services activities. But now that the women stand threatened and are being considered as mere chattel, as undignified subordinates in a male-dominated society, it is very necessary to orient our policies and formulate our programmes so

that the prime objective for which APWA was established and for which it has received worldwide recognition is re-stated.

"It has now become necessary to mobilise opinion in favour of women in the mainstream of present-day thought keeping in view the high values placed on women in an Islamic State.

"APWA intends to unify all women's organisations in the country to create a consciousness and understanding of the status of women and call upon all enlightened members of society to give support to the ideals for which this organisation stands.

"All members of APWA and other women's organisations take upon themselves the responsibility of enrolling members of giving their time and energy for the pursuit of these desirable human goals which we all cherish. It is in this way that we can give leadership and also reflect the social conscience of our society, failing which we will be deprived of all we have achieved with our sweat, toil and tears in the last 35 years.

"Mr President, I am aware of the many problems which the nation is facing today and am fully conscious of your relentless effort to keep the nation on an even keel. National unity and a calm and determined people are ultimately the best defence of a country. Women constitute half the population of the country, their confidence must be restored.

"It is my considered opinion that a dialogue between you as Head of State and me as the leader of the women of this country would prove most useful in coming to an understanding of the entire situation."

PERFORMANCE CLAIMS OF PUBLIC INDUSTRIAL ENTERPRISES ARGUED

Karachi DAWN in English 11 May 82 p 9

[Editorial: "Public Industrial Enterprises"]

[Text]

THE MATTER of whether the public sector should be actively involved in industrial efforts is too controversial an issue to go into with any hope of arriving at a reasonable compromise. Certain aspects can be regarded, however, in isolation so to say, to pinpoint certain merits and demerits of public sector industrial endeavour in this country. The provocation is the recent release of the 1980-81 annual report on public sector industries, which has painted an optimistic picture of their performance. According to the Production Minister, the "tempo of improvement" has been maintained for the second successive year, and significant gains have been achieved in both physical and financial terms. The trend towards declining production and profitability which had marked public sector industries was reversed in 1979-80, when the production index, net sales and pre-tax profit increased. This trend was further accentuated last year, one notable achievement being that all corporations made a profit. With 1972-73 as the base year, the production index which stood at 197.05 in 1978-79, went up to 257.90 in 1979-80 and 261.03 last year.

Sales increased almost 17 per cent last year whereas pre-tax profit was up by almost 27 per cent.

These optimistic signs notwithstanding, it will still be difficult to say that all is well with public sector industries. In the first place, the very fact that the sector is beginning to show a profit only now after so many years is an indication of the level of managerial efficiency. It should be kept in mind that many of the industries nationalised a decade ago were making normal profits at that time, but that subsequently their profitability declined, or they had to operate at a loss. While this factor alone may be taken as sufficient reason to damn the existence of public sector industries, unfortunately the issue is not all that simple. There are a number of reasons why public sector efforts are to be considered desirable, especially in a society such as ours. Among the many reasons, one is that it helps avoid the concentration of wealth in a few hands and may be fostered as a deliberate policy for this purpose. Another important reason is that it helps fill in gaps in the country's industrial development, gaps, which, for various reasons, are not fill-

ed by the private sector. Large requirements of capital or an overly long gestation period of a project may make it impractical or impossible for entrepreneurs to go in for a project - PIDC was formed in the early years to fill this gap. In opening up under-developed areas, too, the public sector has an important role to play, since entrepreneurs may be wary of going into such areas even though a project has been shown to be economically attractive.

The only middle course that can be adopted is that for the time being industrial efforts by the public sector are necessary, but units should not be permitted to balloon into protected, molycoddled industries which are a steady drain on the exchequer. There are many unsubstantiated reports, for instance, that some years ago a number of taken-over industries could only be kept going with the aid of huge loans from nationalised banks, and some of these loans had to be written off subsequently. While this may not be the case at the moment, in some instances there is another method of subsidy which is equally, if not more, disturbing. This is the tendency to increase prices of products in an almost arbitrary fashion. Most State enterprises are monopolistic in nature, therefore it is with impunity that prices can be raised to meet the demands of individual units. In fact an analysis of the Rs. 15, 226 million total sales last year indicates 2.6 per cent increase in volume of sales and 16.16 per

cent increase in prices. This is not a true indicator of the overall performance because the total figure is inflated by the increase in oil prices - State Petroleum was responsible for well over half the increase in sales last year. However, an analysis of the performance of other units shows that a significant portion of increase in sales was due to price rises.

Accountability is a word that has been bandied about so much that it has tended to lose its meaning. If State enterprises are to be run properly, however, it is the element of accountability which has to be attached to them to a much greater extent. Executives in individual units must be held responsible for their mistakes or misdeeds, and these may be of many different types, from downright corruption to failure to control wastage to making a bad marketing deal. Serious mistakes of judgment and even departures from propriety are in many cases covered up in the close-knit brotherhood of bureaucracy. In fact, there is also no alternative to developing a special cadre of professionals who have nothing to do with the bureaucracy to run and manage State industrial enterprises on commercial lines. The present system has been tried for long enough during which it has failed to perform well. A different method must be tried now in an attempt to ensure that prices of products are competitive and that inefficiency or corruption do not add to the cost which the people have to pay.

CABINET BODY FINALIZES REPORT ON DOCTORS

Karachi DAWN in English 11 May 82 pp 1, 4

[Text]

ISLAMABAD, May 10: The Cabinet sub-committee constituted on April 18 to look into the problems of the doctors on Monday finalised its report which proposes introduction of a compulsory National Health Service, 100 per cent absorption of fresh graduates in house jobs in 1982-83, improving career opportunities for doctors and generous incentives including liberal loans and tax-holidays and concessions on import duties for encouraging private practice.

Dr. Mahbubul Haq, Deputy Chairman, Planning Commission, who headed the sub-committee announced these proposals at a Press conference here on Monday.

The representatives of Pakistan Medical Association, who were also on the sub-committee, however, disassociated themselves from the sub-committee's report pending its review by their Council which is expected to meet in a week's time. The PMA representatives, however, appreciated the proposals in very high terms.

The representatives of the Pakistan Doctors Organisation (PDO) expressed their reservations on some of the details of the proposals and were not sure if these proposals would be implemented at all.

The PDO representatives reiterated their resolve to go on a three-day strike from Tuesday.

According to Dr. Mahbubul Haq the proposals would now be submitted to the Cabinet for approval. The proposals envisage a two-year compulsory he-

alth service for all fresh graduates after they had completed house job of one year. The female doctors would be required to serve the NHS for one year only. Doctors posted in hardship areas would be paid a maximum of Rs 3,000 per month.

Explaining the plan for 100 per cent absorption of fresh graduates in house jobs, Dr. Mahbubul Haq said that there are an estimated 45,080 beds in the country spread over private and public health centres which would facilitate posting of one fresh graduate to 10 beds, since an estimated 4,000 doctors graduate every year.

With respect to career opportunity, the proposals recommend de-linking of health service from the present grade system and introduction of separate cadre for doctors.

The PDO's reservations mainly relate to the subject of quackery which its representatives said was not dealt properly in the report. They also wanted the report to mark some provision for job opportunities for the doctors after they had completed their national health service.

Their main argument for not calling off the strike was that the report, in itself, does not solve any problem. They wanted the Government to take a firm decision in respect to their demands immediately. They said the earlier report which was prepared about a year and a half ago, also contained similar high-sounding proposals but no action was taken on it.

DOCTORS STRIKE: MOB ATTACKS CASUALTY WARD

Karachi DAWN in English 12 May 82 p 1

[Text]

Attack on the Casualty Ward of the Civil Hospital here by a group of enraged persons, marred the first day of the junior doctors' three-day strike which began on Tuesday.

The incident occurred after one Abdul Qadir, 40, of Chawkiwara, who was brought to the hospital with a suspected overdose of alcohol, died there.

Junior doctors claimed that medical and paramedical staff, more than the usual strength, attended to the patient but they could not save him.

The victim's friends and relatives numbering about 200 who were waiting outside, apprehended that the death was caused due to lack of care on account of the junior doctors' strike.

They stormed into the hospital, damaged some furniture and equipment, and also man-handled the doctor on duty until the Police arrived to intervene.

Deploring the hooliganism, the Junior Doctors Action Committee said that about 1,000 junior doctors of JPMC, Civil and Abbasi Shaheed Hospital etc observed the strike but provided the usual emergency cover.

They held a general body meeting at the JPMC to reaffirm their determination to continue the struggle till the acceptance of their demands—career structure, paid house jobs, ban on quackery, employment to jobless doctors, and better service conditions.

Strike was also observed at KV Site hospital, Sind Government Hospital and dispensaries etc., they said.

The DMC Students Union is holding a meeting on Wednesday at 11 a.m. and is expected to extend support to the strikers.

Emergency cover, however, was given to the patients by the young doctors, as decided earlier.

The strike was observed on the call of Pakistan Doctors Organisation (PDO). Dr Eice Muhammad, the PDO President had on Monday staged a walk-out from the Cabinet's sub-committee meeting and described the government assurance as lacking credibility. He demanded written commitment from the Government side. The doctors, he said, will not give up their struggle till the acceptance of their demands.

At a general body meeting the junior doctors expressed grave concern over Government's refusal to accept their genuine demands which, they alleged, would aggravate the situation and create enormous difficulties, not only for them but also for the general public.

The meeting urged that the demands of the junior doctors should be accepted immediately.

The meeting condemned the alleged victimisation of the junior doctors by the LMC Hospital administration.

WHEAT SHORTAGE FEARED: RESERVES ANNOUNCED

Karachi DAWN in English 12 May 82 p 1

[Text]

ISLAMABAD. May 11: Vice-Admiral Mohammad Fazil Janjua, Federal Minister for Food and Agriculture, has said there are 16 lakh tons of wheat available with the Government in reserve stock to meet any wheat shortage feared due to the untimely rains.

In an exclusive interview with PPI here on Tuesday, he said, there would be minimum harm to the wheat crop if the present rain spell is over within two or three weeks. However, if these rains continue, a serious threat to the harvested crop may be caused by fungus, he added.

He said, agriculture was a rootless industry mainly dependent on weather, and we should pray to Almighty Allah for dry spell so that the labour of farmers should not go waste.

He said wheat production in Sind was somewhat better due to favourable weather. The harvesting has been completed and it will meet the target of 20.60 lakh tons of production fixed for the current year.

In Punjab, he said, the production target was 89 lakh tons, while 80 to 90 per cent harvesting in southern Punjab has also been completed. Similarly, the Minister said, in central, northern Punjab and Rawalpindi district, 50 per cent harvesting has been done.

He said the present rains were harmful for the standing crops and we could only pray to Allah to make our efforts bear fruit. The farmers and the Government functionaries have done their best and now the results lie with Allah, he added.

He, however did not comment on the fact as to whether there would be need for importing wheat from abroad.

CRISIS OF CONFIDENCE, INDIFFERENCE ANALYZED

Karachi DAWN in English 17 May 82 p 7

[Islamabad Diary by M. A. Mansuri: "Impact of Rains on Wheat Crop; the Psychology of Indifference"]

[Text]

THE climate here last week became unusually cold for the month of May because of the untimely heavy rains and frequent hailstorms all over the northern Punjab and parts of the NWFP. The city dwellers enjoyed this weather. But in the rural areas all over this region the rains have played havoc with the standing wheat crop, and it may be very difficult to meet this year's target of wheat production in the Punjab.

Last Friday, people held special prayers in mosques, following a call by the Federal Food Minister, for an end to the continuing wet spell. In winter, similar prayers were held for many weeks for an end to the dry spell which had continued for several months, delaying the sowing of wheat.

This shows that the timing of everything plays a vital role in human affairs. The same thing, if available at the right time, becomes a source of comfort and satisfaction but may serve the opposite purpose if it comes at the wrong time. Anyway, there are said to be enough reserves from the last three year's bumper crops to see the country through this year even if production falls short of the target. But the plan to start exporting wheat may not materialise, except that the contract signed recently with Iran for the supply of one lakh tons of wheat will have to be honoured.

STRIKES AND PRICES

A section of the serious minded people here fear that a bad wheat harvest may affect the political climate in the country in the coming months, providing an opportunity for the anti-social and subversive elements to exploit the situation. Their argument is simple. Already, there is widespread dissatisfaction mainly because of the growing inflation, economic depression and absence of normal political activity. The two-month-old teacher's strike which was called off the previous week by one section of the teachers' United Front is still continuing. Some sections of the university and college teachers all over the country have also gone on strike. The young doctors have increased the number of their strike-days every week, despite Dr. Mahbubul Haq's report making rosy promises to them. The railway and postal employees' unions have also served strike notices.

In the private sector, the textile industry is in a very bad shape. Two large textile mills in the country last month went completely out of business, rendering over ten thousand workers out of job. Prices of essential commodities are going up constantly. Last week, the prices of medicines and several of the foodstuffs registered a sharp rise. In such an atmosphere, if the wheat crop in large parts of the Punjab and NWFP also is damaged the feeling of discontent and hardship may spread to the rural areas as well. Already, people of many villages and Tehsils are in contact with the authorities with requests that their areas be declared as calamity-hit areas.

In fact, as I had reported in one of

my recent diaries, a sort of fatalism is becoming the dominant feature of the popular mood here. Growing uncertainty in the political field, the traditional budget scare, concern over rising prices, and frequent statements by various personalities reopening the issues of the authorship of the Partition Plan, the integrity of the leadership of the Pakistan Movement and the ideology of Pakistan are mainly responsible for this.

SUBVERSION

It is true, the number of subversive and anti-social elements arrested during the last month was significantly less than the number of those arrested during the previous three or four months. But it will be naive to claim that they have been completely eliminated. The derailment of four trains within the last week, three of them in the Punjab, is believed by many people here to be the work of the subversive elements.

Anyway, it was in this spirit that the people received the Federal Finance Minister's announcement, last week, of the Government's decision to set up a high-powered committee to suggest, in time for incorporation in the forthcoming budget, some interim relief for the civil employees of the Federal and Provincial Governments, and submit its final report on their emoluments by December 31, 1982. The announcement caused no visible reaction, favourable or unfavourable, as if it was of no consequence to them. A more unconcerned attitude was visible in the context of statements by various defunct political party leaders saying things about the mode and timing of elections in the country. The categorical statement by the President after inaugurating the second local bodies convention, last week, that for the time being there was no possibility of holding elections served only to heighten

ten the prevailing mood of uncertainty.

GROUPS

Perhaps we are heading towards a pervasive crisis of confidence. Each one of us is forced to think in terms of himself and look at the other fellow with suspicion. Groups are emerging within groups, and collective thinking is virtually disappearing even among the people of the same clan and interests — students, teachers, journalists, traders, Government employees and even Ulema.

A new trend that I have witnessed in the recent weeks in our educated circles here is that any serious talk about our national affairs cannot proceed without references to the policies of major powers which are known to have interests in this region.

For instance, throughout last week we discussed the agitation by the students wing of a particular defunct political party in the light of our broad understanding of the policies of one of the superpowers. Where does this power stand vis-a-vis our internal politics and also in relation to the Afghanistan issue? And what is at the back of the Indian Government's mind which continues to harp on the tune that it feels threatened by Pakistan acquiring American arms which have yet to be delivered under the last year's package deal, and what impact will it have on the Pakistan Government's thinking? The World Bank pressures on Pakistan which has resulted in the withdrawal of subsidy on fertiliser and lowering of the value of the rupee in relation to the US dollar are also frequently quoted in such discussions.

In this context, what is really disconcerting is that the people's mood of indifference is gradually making them believe external factors. The need for correcting such an impression cannot be overstressed.

CSO: 4220/5

BIGGER ROLE FOR LOCAL BODIES IN DEVELOPMENT SUPPORTED

Lahore THE PAKISTAN TIMES in English 16 May 82 p 4

[Text]

At the conclusion of the All-Pakistan Local Bodies Convention in Islamabad, President Zia-ul-Haq announced that the Government would soon be setting up a high-powered finance commission to review the financial resources of local bodies and make recommendations as to how these could be expanded and diversified. The commission, drawing its members from the Federal and Provincial Governments, the Planning Division and the Ministry of Local Government, will look into the present financial position of local bodies, their potential resources and their capacity to impose local taxation to meet an increased demand on them for the fulfilment of development programmes in their jurisdiction. The convention discussed their problems in six groups and presented an exhaustive review of local government activities over the past two years. Above all, these discussions brought to light a whole perspective of further improvements in the system and codified their needs to tackle programmes at the local level.

Federal Finance Minister Ghulam Ishaque Khan and

Planning Commission Deputy Chairman Dr. Mahbubul Haq chaired the two most important discussion groups in the convention: Finance and Rural Development and Agriculture. The Finance Minister voiced the opinion of his group when he advocated that finances at the disposal of the local government be enhanced and some responsibilities be shared out to other departments which partook of the amenities but did not participate in their upkeep and improvement. Similar rationalisation and adjustment was demanded in motor vehicle tax and capital gain in the cantonment areas. The councillors emphasised timely disbursement of local bodies funds and a greater share in the development schemes. Dr. Mahbubul Haq, who is preparing the next Five-Year Plan, recommended that fully 10 per cent of the total allocation should fall to the share of the local government. He recommended that local bodies be allowed to formulate their own Five-Year Plans with an accent on local resources and self-help. In this connection he pleaded that the

Planning Commission should consult the local bodies before preparing development schemes in different areas of the country, so that maintenance and supervision of projects could be entrusted to them. The priorities for future development were firmly set: the laying of metalled roads from farms to markets, building and maintenance of education institutions and provision of water and electricity to more rural areas. The convention made strong recommendations for the standardisation of housing schemes in the country and asked the Government not to allow construction of houses over an area bigger than one kanal. While the demands for local taxation were accepted, President Zia-ul-Haq warned against an extreme fragmentation of the country in terms of local levy and referred to the absurdity of stopping a truck 45 times en route from Peshawar to Karachi to realise export tax. The convention marked the beginning of an era which will connect the system of local government to the overall socio-economic development of the country.

CSO: 4220/5

POLITICAL ROLE FOR THE ARMY OPPOSED

Karachi DAWN in English 17 May 82 p 7

[Text]

The role of the defence forces in our national life has already been determined, which is effective and successful defence of the country. Giving additional responsibilities to the defence forces would be unjustified. It would be the negation of its respect and prestige if the armed forces were to have a role in politics too.

The situation in the neighbourhood also requires that the defence forces should concentrate all their attention on defending the country. Apparently Pakistan is facing an adverse situation. The Soviet Union is at Pakistan's border. On the other hand there is India with its designs exposed. But the international situation has greatly helped Pakistan. While Moscow is bogged down in Poland, New Delhi is having its own problems with Sikhs. We believe that our defence forces will not be in a better position to safeguard our geographical frontiers if they were assigned a permanent role in the government.

To guard our geographical frontiers, our forces have to remain alert. The nation expects this role from them.

—Nawa-e-Waqt, Karachi, May 15.

CSO: 4220/5

AFGHAN MUJAHEDIN'S PLEA FOR ECONOMIC, MILITARY AID

Karachi DAWN in English 12 May 82 p 12

[Text]

ISLAMABAD, May 11: The Islamic Unity of Afghan Mujahideen (IUAM) has called upon the Muslim World, in particular, and the non-Muslim peace-loving countries, in general, to unconditionally support the Afghan freedom fighters both economically and militarily, by supplying them with weapons and arms on large scale.

Addressing a joint Press conference here on Tuesday the leaders of IUAM, Mr Sibghatullah Mujaddidi, Moulvi Muhammad Nabi Muhammadi, and Mr Saeed Ahmad Gilani, said they wanted unconditional support from all the peace-loving nations but clarified that they would not accept the aid with strings.

They said, what they needed were arms and weapons and not men. There were sufficient people fighting for the liberation of their motherland. This is what we want from the West along with support for our cause.

In reply to a question, they said, their alliance was forged some 19 months back and com-

prises the Organisation of Islamic National Front, Islamic Revolution Movement of Afghanistan and Afghan National Liberation Front.

The alliance was forged in the best interest of Afghanistan and a Shooraa Committee was also formed to act as the Executive Committee, they added. They said, when full membership of the Shooraa is completed, it will choose a single leader of the alliance (IUAM).

They claimed that a number of Russian soldiers and officers had been captured by Mujahideen. Some of them have been tried and convicted, they said adding, some Russian soldiers "have embraced Islam and now were fighting side by side with the Mujahideen."

In reply to another question, they said, they were looking forward to merger with the other alliances of Mujahideen. The main obstacle in the way of this merger is anti-Mujahideen propaganda, and confrontation on the part of other parties, they added.

CSO: 4220/638

YAQUB SAYS REFUGEES SUBSIST ON 40 CENTS A DAY

Karachi DAWN in English 15 May 82 p 1

[Text]

MANAMA, (Bahrain), May 14: The 2.5 million Afghanistan refugees in Pakistan subsist on 40 cents per day each, according to Pakistan Foreign Minister Sahabzada Yaqub Khan.

Speaking at a Press conference in Abu Dhabi, capital of the United Arab Emirates, he said the refugees cost one million dollars per day, half of the amount borne by the UAE and other friendly States.

He said his current Gulf tour, which took him earlier to Kuwait, was aimed at discussing the Afghanistan, Gulf and Middle East situation.

An account of Mr Yaqub's Press conference was distributed by the Manama-based Gulf news agency.

Meanwhile, a campaign for funds for Afghanistan, Palestine and Eritrea was progressing in Bahrain, with authorities announcing that private donations in this country of 380,000 people have topped the half-million-

dollar mark.

The Bahrain Government announced last month a 250,000 dollar donation for Afghan refugees.—APA.

IINA adds:

Sahabzada Yaqub Khan arrived in Doha today from Abu Dhabi for talks with Qatari officials on bilateral relations and other matters of mutual concern.

He will also deliver a message from President Mohammad Zia-ul-Haq, to the Amir of Qatar Sheikh Khalifa Bin Hamad Al Thani.

He has already visited Saudi Arabia and Kuwait.

During his two-day visit to the United Arab Emirates, Sahabzada Yaqub Khan handed over a message from President Zia-ul-Haq to the UAE President Sheikh Zayed Bin Sultan. He also had talks with State Minister for Foreign Affairs Rashid Abdullah.

The Pakistani Minister will also visit Bahrain and Oman during his current Gulf tour.—

CSO: 4220/4

NON-AGGRESSION THROUGH HEAVY TRILATERAL INVESTMENT SUGGESTED

Karachi DAWN in English 15 May 82 p 7

[Article by A. T. Chaudhri]

[Text]

IDEAS make news but the national Press has yet to cultivate the news of ideas.

Most of the space in our news media is taken up by pronouncements of those in power or the projections of events in the trouble-spots of the world. Little heed is paid to new studies being conducted in humanities and sciences, or new ideas being mooted by social scientists and independent economists — ideas which can transform societies and stimulate the process of human liberation.

A case in point is the recent exposition of the subject of regional detente through economic cohesion given by two technocrats, who are at once academicians and public figures — ex-Foreign Minister Agha Shahi and former Finance Minister Mubashir Hasan. Their divergent perceptions of this dominant theme merit public attention since both Pakistan and India are currently groping for a new order in the subcontinent based on the outlawry of war and a new frame-work of economic cooperation and political amity.

Speaking of economic cooperation at the regional, or sub-regional, level, at a time when the political climate is none too hospitable, Mr. Shahi struck a rather discordant — or was it realistic? — note in his recent address before the seventh meeting of the Committee on Studies for Cooperation in Development (CSCD) in South Asia (April 22). As he put, it "Intra-regional disputes and differences, conflicting responses to geopolitical challenges, divergent foreign policies, not to speak of incongruence of economic interests resulting from disparities and disadvantages of size, population, location and levels of

economic development, pose obstacles to harmonious cooperation, which is a sine qua non for the formulation and implementation of strategies of development on a basis of national and collective self-reliance."

Priorities

Elaborating this quintessential note of his address, Mr. Shahi also pointed out that India's population is 77 per cent of the total population of South Asia; it has 72 per cent of the total area and 78 per cent of the national product. And since it constitutes three-quarters of the region, its massive economy would tend to dominate the smaller economies, unless adequate safeguards are designed to protect the interests of participating countries and ensure balanced interdependence.

The ex-Foreign Minister, however, conceded with an open mind that if we learn to cooperate, our priorities might change and we might be able to divert huge resources from the wasteful expenditure on armaments to the eradication of poverty. (South Asia has the largest concentration of poverty as it accounts for almost 75 per cent of the world's poor).

Now, it is not the first time that the negative factors impeding regional and sub-regional economic cooperation have been pinpointed. Way back in 1964, an Indian scholar, Sisir Gupta, had in his book: "India and Regional Integration in Asia," listed 11 major problems of cooperation on regional level. (PP.101-103). He had even warned that a superstructure of Indo-Pakistan cooperation built on insecure foundations might easily collapse and lead the two countries once again into the quagmire of tension and conflict.

But the world of Eighties is very different from the world of Sixties or Fifties. The very fact that it is Pakistan, not India, that is now offering the olive branch of a no-war-pact shows how the roles of old adversaries have been reversed.

New patterns

Then, this is the age of regional cooperation and in several far-flung regions of the world larger and smaller nations have managed to overcome their inhibitions and contradictions and evolved new patterns of cooperation based on an equitable sharing of gains and losses — of course, with varying success. Nations, old and new, have even explored new strategies of development circumventing the pitfalls of cooperation among unequals and identifying new areas of mutually advantageous economic cooperation which has in course of time acquired social, cultural, even political dimensions. Why can't the countries of South Asia follow suit and become active partners in the common struggle to deliver their peoples from absolute poverty and human degradation which they can no longer endure.

Seen in this context, the new ideas just put forward by Dr. Mubashir (May 9, Dawn) to raise an economic superstructure of Indo-Pakistan amity on the foundations of the Simla Agreement, deserve to be analysed and assessed. His conceptual frame-work of mutually beneficial joint ventures between the two countries, with the financial help of donor States who wish to promote sub-continental detente, may appear to be somewhat Utopian. But economic 'trilateralism' — a linguistic expression avoided by the Doctor — is not a new phenomenon in the present day world. It is already in vogue in the First World and is worthy of emulation by the South Asian countries if they are earnest about waging a collective war against poverty to bring about a social transformation.

What the former Finance Minister — who, incidentally, made his mark in the international arena at the 1973 special U.N. session on New International Economic Order — obviously stands

for is giving priority to the promotion of "material national interests" over signing political compacts which can only make a psychological impact on the minds of the people. So, his thoughtful economic plan of action envisages nine major projects involving a "minimum outlay" of 25,000 million dollars spread over five to seven years.

In this Herculean joint enterprise, both the super-powers, and some nations of the First World and Muslim leaders of OPEC are expected to provide financial props to lay the foundations of economic well-being and political quiescence in this tormented region.

Interests

The ambitious Indo-Pakistan joint ventures in cement, fertiliser, power generation, steel manufacturing, copper and coal mining and laying of railway tracks for super train services linking Peshawar with Calcutta — all this should help transform the economic landscape of the sub-continent in keeping with mutuality of interests.

For example, Pakistan would be able to augment its fertiliser output by an additional one million nutrient tons, its cement production by 10,000 tons a day, its power generation by 5,000 megawatt and its steel production by 100 per cent. That would enable it to export finished goods to India and import capital goods from there, which would reinforce the State sector on either side and give an unprecedented boost to the two-way traffic of trade. (If some of the new projects are set up along the Indo-Pakistan border, both the countries will have a vital stake in reducing tensions and building new bridges of confidence across their frontiers).

Nevertheless Dr. Mubashir cannot overlook the fact that economics and politics in this age are inseparable. If economic interdependence can provide a sound base for political detente, the reverse is equally true. Thus, Mr. Shahi is not wrong in stressing that unless political relations show some visible improvement and areas of conflict are resolved, a meaningful regional economic cooperation based on mutuality of supreme interests cannot be forged. So, the level of statesmanship in either country must rise to a new level, a level of constructive vision.

In fact, the transition from unilateralism to bilateralism and then to trilateralism is not easy. It is not easy because trilateralism has two faces — inward and outward — the one concerned with preserving national interests, the other with promoting international partnership on a genuine and enduring basis. That poses the real challenge for the subcontinental partners.

ARMY'S ROLE IN FUTURE POLITICAL SETUP: CAUTION URGED

Karachi DAWN in English 15 May 82 pp 7, 9

[Article by Brig. A. R. Siddiqi (Retd)]

[Text]

PRESIDENT General Mohammad Zia-ul-Haq in a recent statement said that he favoured a role for the army in the future political set-up of the country to forestall repetition of martial laws. "Such a role", he added, "was essential in an ideological State like Pakistan."

A Higher Command Council comprising the President, Prime Minister, Defence Minister and Service Chiefs could be formed to take decisions on "vital and important issues." The President's statement should generate lively interest and a discussion on the role of the armed forces in the national affairs from various points of view, in the light of the past experience, present-day reality and the exigencies likely to develop in the future. Here is one view point.

It has been a hard fact of our troubled national history that regardless of who might have been in office, at a given time, it is the armed forces that have been (and remain) in power. The Kashmir war, starting within just a couple of months of the emergence of Pakistan, first brought the armed forces into prominence as the most "organised and disciplined force" in the country. That was followed by a rapid succession of events deeply involving the armed forces in the national affairs. These were the so-called Rawalpindi conspiracy case (1951); massing of troops by India along the West Pakistan border (1951); Martial Law in Lahore (1953); Operation Close Door in East Pakistan (1957); first martial law (1958); military opera-

tions and the first Indo-Pakistan war (1965); Pakistan's second martial law (1969); Pakistan's first general election under military rule (1970); military action in East Pakistan (March 1971); second Indo-Pakistan War (December 1971); Pakistan's first civilian martial law (December 1971 to April 1972); and the third and the on-going martial law (since July 1977).

Every martial law in Pakistan originated in lawlessness gone out of the hands of the effete, compromising and not always popular civilian authority. As martial law's surgical knife went deeper into the body-politic, it came upon lesions and pernicious growths, clinically unsuspected, waiting for major surgery. And once the operation started, it went on and on uncovering ever new areas of serious decay and damage until the surgical team itself was left wondering if a further probe would be worthwhile at all.

Martial law's daring surgery seemed to hold little prospect of success where the civilian-bureaucratic therapy had failed. However, the operation and the hope that goes with it, has not been abandoned; and while it lasts the knife and scalpel would remain in the surgeon's hands.

Pakistan's present martial law has been the longest and the most ideologically oriented martial law to date. It remains irrevocably committed to "putting the country on its right path and taking the nation to its original destiny (that is the Islamisation of society)".

Addressing the Zakat Convention in Lahore on May 5, the President said that since Pakistan was an ideological State, it was necessary to ascertain the

credentials of all those who wanted to shoulder future national responsibilities. "Under the Islamic system of government, anybody who held a position in administration in one way or the other, should have the distinction of being immune from personal weakness..." (Dawn, May 6, 1982).

President Zia's idea of an ideological State is closely similar to Plato's ideal State as adumbrated in his "Republic" in which the philosopher-king is the repository of both philosophy and political power. Above all, he is practically "immune" from personal weaknesses."

The pivotal role assigned by the President to the army in the Islamisation of Pakistan adds an ideological dimension to its professional character without necessarily compromising it. It makes the army not only the custodian of the country's territorial integrity but also of its ideological frontiers. An army saddled with such a stupendous task, apart from exemplary professional soundness and efficiency, must be in a symbiotic relationship with the rest of the nation. It cannot be instrumental in getting the Islamisation process under way and stay out of it itself.

In due course, various matters pertaining to the dress and customs of service — mostly British legacies — will have to be re-examined and brought into conformity with the emerging Islamic character of the State. Ceremonial uniforms, complete with Sam Brownes and medals seem to call for a substitution for things much simpler, less expensive and, above all, more national.

In a country fast taking to national and Pakistani dress the armed forces cannot, for all times to come, remain the only establishment using foreign-designed uniforms. Most of the ceremonial stuff aiguillettes, red tabs, kammarbands (not to speak of star plates), medals of World War II vintage in particular, can be discarded immediately without affecting the bulk of the armed forces now consisting of post-world war and post-independence commissioned and enlisted officers and men. Those mustering these medals would be placed on the retired list in the next two or three years in any case. So why not do away with them now in one bold stroke.

The same goes for military history and commemorative occasions. Occasions like the Dushak Day, a battle-honour of the Sherdils, are no longer celebrated ceremonially as they used to be until some years ago. It is because of its loss of relevance to our own

military history as an independent nation. The same applies to regimental histories, most of which date back to the 1857 upheavals. Some like the First Punjab Regiment go as far back as two hundred years; and while history itself may not be written off and be allowed to stay in the regimental annals there is scarcely any need to wax eloquent about it in running commentaries during ceremonial regimental or national day parades.

Compared to the civilian bureaucracy and public that have, by and large, adopted the Pakistani dress, style and mannerism in everyday life, the armed forces still remain a thing apart in appearance if not in spirit. This is an obvious anomaly and will have to be removed sooner or later. An armed force dressed in Western-style uniforms will find it difficult to merge with a people dressed in native style, let alone lead them.

Sartorial transformation is always an essential part of cultural-cum-political transformation as was seen in the halcyon days of the Khilafat movement during the second and the third decades of this century. Subsequently, Gandhi and Jinnah caps became the symbols of the freedom struggle, respectively, under the banners of the Indian National Congress and The All-India Muslim League.

It should not be difficult for the armed forces to switch over to the Pakistani dress and shed their traditional summer and winter mess kits and service dresses. The custodians of our sprawling rugged frontier—stretching from Chitral down to the Mekran coast — wear shalwar-kameez and chapplis for their uniform and are admired the world over for their excellent turn-out. The Frontier Corps, that fine body of men, can serve as the prototype for the rest of the armed forces. This would perhaps also facilitate the adoption of a single uniform for all the three services.

BODY OF EXPERTS

A body of experts may be commissioned to examine and determine the role of professional armed forces in an Islamic State and society. Except for the dhimmis or the protected non-Muslim minorities, all able-bodied citizens in an Islamic State are volunteer-soldiers committed irrevocably to wage jihad in Allah's name and for the glory of Islam. In a State like that, the role and status of a standing military establishment as distinct from a body of dedicated and highly-motivated (not necessarily as well-trained) warriors will have to be

clearly defined. Modern wars cannot be fought and won by volunteers and camp followers alone except under the leadership of a professional establishment in consonance with the ideological character of the State. Neither could these wars be fought by professional armies alone without the active participation of the people. The defence of the homeland has to be jointly shared by the armed forces and the people. In sum, the armed forces will have to look the role they are supposed and called upon to play in the rapid transformation of Pakistan into an ideological State.

And finally, the vital question of the management and division of power between the President and the Prime Minister – even more importantly perhaps – between the civilian chief executive of the country and the army chief.

General Mohammad Zia-ul-Haq seems to favour the presidential system with the President exercising full control over the Prime Minister and his Cabinet colleagues.

Referring to the 1977 crisis, President Zia-ul-Haq said: "...had there been a balance between the powers of the President and Prime Minister under the 1973 Constitution, the President would have taken a decision to pull the country back from the crisis of 1977. The involvement of the army would, thus, have been excluded..." (Dawn, May 7, 1982).

In 1969, Pakistan had an all-

powerful, elected President in Field-Marshal Mohammad Ayub Khan facing a grave political crisis. However, instead of resolving the political crisis, the President created yet another, even a bigger constitutional crisis, by failing or refusing to hand over power to the Speaker of the National Assembly as laid down in the 1962 (his own) Constitution. Instead, he called upon the army chief to do his "constitutional duty", and the latter promptly suspended and subsequently abrogated the Constitution. The balance of power between the President and the Prime Minister, in the light of the past experience, will, therefore, always depend on the personality of the incumbents.

Under the Quaid-i-Azam as Head of the State, Liaquat Ali Khan could not conceivably have been a strong Prime Minister but under Khawaja Nazimuddin he was.

As for the armed forces, all constitutional safeguards and guarantees could become meaningless in the face of the will of a strong military commander. And one who has the power to abrogate or suspend the Constitution is above and beyond the covenant.

The supreme question facing the nation today is now to write the will of the military commander into the constitutional process (or to preclude it therefrom) so that it could remain in force and develop smoothly without being repeatedly and seriously interfered with.

YAQUB URGES EARLY SIGNING OF NO-WAR PACT

Karachi DAWN in English 16 May 82 p 1

[Text]

The Foreign Minister, Sahabzada Yaqub Khan, said in Karachi last evening that the interest of both Pakistan and India would be best served by the early conclusion of a non-aggression pact.

He was replying to Pressmen's questions at the Karachi airport on his return from a two-week tour of a number of Islamic and Arab countries.

Asked about an All-India Radio report on his statement about a treaty of friendship and co-operation between India and Pakistan, the Foreign Minister said he had been "misreported." In order to remove any misunderstanding on the issue, Sahabzada Yaqub read out a statement.

The statement said: "Pakistan and India have already discussed some of the elements of the proposed pact of non-aggression and non-use of force."

"The discussion on this proposal is, therefore, an on-going process and as agreed by the Foreign Ministers in the joint Press statement issued on Feb 1, 1982, the officials of the two countries are to meet in Islamabad to continue exchanges on the substance of the proposal. There is no controversy or confusion on this point."

"We feel convinced that the interest of both countries will be best served by the early conclusion of the proposed non-aggression pact. The requisite ground for the promotion of mutual friendship and co-operation can be effectively prepared through this approach."

Sahabzada Yaqub added: "the idea of a treaty of peace and

friendship between Pakistan and India was mentioned by the Indian Prime Minister to Pakistani journalists in the course of a discussion on the nature and scope of Indo-Soviet treaty of 1971. However, the matter was not pursued as it was realised that such a treaty was premature. The principal objective of the non-aggression pact was to create the necessary atmosphere of mutual trust and confidence in the context of which alone could such a treaty acquire relevance."

"The statement by the Indian side in the joint communique issued after Mrs Gandhi's visit to Saudi Arabia recently that India had proposed a treaty of peace, friendship and co-operation with Pakistan does not alter the above fact."

The Foreign Minister said, "there is also no element of doubt or ambiguity about the proposal regarding the establishment of a joint commission. Pakistan has welcomed the proposal in principle and is prepared to discuss the terms of reference, composition and other aspects of the commission at a mutually convenient time."

About his tour, he said the main purpose was to establish personal contacts with the Foreign Ministers and to meet the Heads of State of these brotherly nations. Another objective was to convey to the Heads of State the greetings and salutations from President Zia-ul-Haq and from the Government and people of Pakistan.

He had also briefed the leaders of these Islamic and Arab nations on important issues in the region such as Afghanistan, Pakistan's efforts to improve relations with India and Pakistan's efforts as a mem-

ber of the Peace Committee to bring an end to the Iran-Iraq war.

Sahabzada Yaqub said he also availed of the chance to meet representatives of the overseas Pakistanis. He listened to their views and briefed them about important events in Pakistan. In this way he was able to establish a report with them.

The Foreign Minister said he would be going to Geneva next month to attend the tripartite meeting on the question of Afghanistan. He will attend the Disarmament Conference in New York and a meeting of the Co-ordination Bureau of the Non-aligned Conference in Havana next month. He would also visit Bahrain and Oman by the end of this month.

About the Al-Aqsa Conference in Morocco, which he attended, Sahabzada Yaqub said a number of proposals and formulae were discussed. There was a proposal that a committee consisting of three members should visit the United States and Western Europe with a view to negating the false propaganda about Jerusalem and Palestine and to inform the public opinion in these countries about the true state of affairs and the real situation with regard to the Israeli aggression in Jerusalem, Lebanon and the occupied Arab lands.

He added a proposal for giving financial support to the victims of Israeli aggression in Palestine and occupied territories was also discussed at the Al-Quds conference.

Asked to comment on the statement of Indian Premier Mrs Gandhi that war clouds were looming over the region, the Minister said since he had not read the statement he would not like to comment on such "a delicate matter".

Sahabzada Yaqub is due to leave for Islamabad today.

AGREEMENT WITH SAUDI ARABIA ON MUTUAL CONTACTS

Karachi DAWN in English 16 May 82 p 1

[Text]

JEDDAH May 15: Pakistani Foreign Minister Sahabzada Yaqub Khan said in an interview published here today that an agreement had been reached with Saudi Arabia on maintaining contacts on matters of mutual interests.

The Minister told a local daily 'Al-Bilad' that he had extensive talks with his Saudi counterpart Prince Saud Al-Faisal on various issues of interest to both countries in addition to bilateral relations.

"The primary aim of these talks was to coordinate the two countries' views and policies to face current threats and the explosive situation in the Middle East emanating from Israel's aggressive and intransigent attitude" he said.

The Minister said another topic was the continuing Iraq-Iran conflict which is a problem of concern to all Islamic countries.

The Pakistani Foreign Minister said "we will do our best to strengthen and develop co-operation between our country and the Kingdom of Saudi Arabia".

Meanwhile, in Doha, Emir of Qatar Sheikh Khalifa Bin Hamad Al-Thani today received a verbal message from Pakistan President Zia-ul-Haq concerning bilateral relations, situation in the region and issues of common concern.

The message was conveyed by Foreign Minister Sahabzada Yaqub Khan.

CSO: 4220/4

PAKISTANIS IN U.S. LAUD PROGRESS AT HOME

Karachi DAWN in English 16 May 82 p 3

[Text]

SACRAMENTO (Cal), May 15: Though settled here for several generations, hundreds of Muslims here lustily cheered accounts of the striking progress made by Pakistan in the process of Islamisation and the field of economic development.

The applause was the loudest when the Pakistan ambassador described the upgrading of the country's defence capability... with a view to enabling it to deter any threat to its sovereignty or territorial integrity.

Five to six thousands Muslims of Pakistan origin live in the 40 mile stretch of land between the cities of Sacramento and stockton. They are largely engaged in agriculture and with their traditional industry and resourcefulness have converted Californian landscape into rich farmland in the manner of their ancestors who developed barren Punjab desert into the prosperous canal colonies of Montgomery and Lyallpur (Faisalabad).

To retain their Islamic heritage and stay close to one another, they have set up an Islamic centre that includes a school for

their children, a big hall for their social life and a mosque for their prayers.

The Khutba at the mosque is delivered in Urdu as it was when ambassador Ejaz Azim joined them in the Juma prayers.

The centre is being run very smoothly by a committee presently chaired by Salim Khan from Campbellpur.

After the Juma prayers, they all gathered in the community hall where Lt-Gen Ejaz Azim briefed them on the political, economic and security situation at home. Despite their prosperity in the adopted country, their interest in homeland remains undiminished.

The Pakistan envoy got an opportunity to meet the Pakistani students during his visit last night to the San Diego State University to address the Institute of World Affairs.

He met the elite of the town at a dinner hosted by the Institute President Richard Gripps: at the luncheon he was able to exchange views with the editors of San Diego Union, led by Ed Nichols.

CSO: 4220/4

BRITISH PARLIAMENTARIAN CALLS REGIME 'MODERATE'

Karachi DAWN in English 16 May 82 p 6

[Article by Yehia Syed]

[Text]

LONDON, May 15: Compared to other regimes in the region and in the third world, the present government in Pakistan is "moderate and not harsh", said Mr Ronald Moyle, MP and Labour's deputy foreign affairs spokesman with special responsibility for Pakistan, addressing a Press conference on Wednesday evening.

Mr Moyle, who as a guest of the Zia Government visited Pakistan in the second week of March, was asked by opposition leader Michael Foot, to investigate the conditions of human rights in Pakistan while he was there and to report back to him on his return.

Mr Moyle is also a member of the all-party 'Support Afghanistan Committee' and in that capacity he had visited the Afghan refugee camps in the frontier.

All his statements and speeches made on the Afghanistan issue were correctly and fully reported, Mr Moyle said, but his remarks on the condition of human rights there were not published in the Pakistan Press.

As a Labour spokesman on Pakistan, Mr Moyle said, he had four reasons to go to Pakistan and that's why he accepted the Pakistan Government's invitation readily.

Pakistan, he said, is very important from the foreign affairs point of view with the Soviet Army entrenched in Afghanistan on the Western borders of Pakistan, with India, the largest

democracy in the world and a member of the Commonwealth, on her eastern flank, with Iran and the Gulf area not very far—all these factors make Pakistan a very important country strategically.

I went to Pakistan, he said, to see how Pakistan as the leader of Islamic Movement was faring.

Thirdly, he said, being a member of the 'Support Afghanistan Committee' I wanted to see for myself how Pakistan was tackling the huge Afghan refugee problem. And lastly, my reason to go there was, because Mr Michael Foot had asked me to study the condition of human rights in Pakistan and to report back to him.

Referring to democracy and elections Mr Moyle said if Pakistan has to wait for the restoration of democracy, which President Zia says can only return after he has completed the Islamisation process, then I am afraid, Gen Zia "is going to be there for a very long time."

In reply to a question on the no-war pact offer to India made by Pakistan, Mr Moyle said, 'India, being a bigger country, would gain much more by accepting Pakistan's no-war offer. I made that statement in Pakistan and I stand by it and if I go to India, I would say exactly the same thing'.

Mr Moyle will be presenting his report on the human rights situation to Mr Michael Foot shortly.

NOORANI CALLS FOR BAN ON STUDENT UNIONS

Karachi DAWN in English 16 May 82 p 12

[Text]

HYDERABAD, May 15: The chief of the defunct JUP, Maulana Shah Ahmad Noorani, demanded here today that student unions should be immediately banned.

Talking to newsmen he said students, having sympathies or affiliations with any political party and those students in possession of firearms and other lethal weapons, were obviously not interested in studies and their basic aim appeared to serve the cause of vested interests. He said that during the preceding five years hooliganism in educational institutions had alarmingly increased and it was high time that strict measures were taken to nip the evil in the bud.

Speaking about the proposal to hold general elections on non-party basis, the Maulana said it would be a very dangerous exercise for it would foment hatred, parochialism civil strife and hit at the very foundation of the integrity and solidarity of Pakistan. He said that whether or not his party would participate in the non-party elections, would be decided in the next meeting of JUP. He

said there was complete unanimity among all the defunct political parties that the 1973 Constitution should be restored, Martial Law lifted forthwith, censorship done away with, political activities allowed to be resumed and, over and above all, general elections should be held in the country without any further loss of time. He said that because of turmoil in the East Punjab the journey to India through this route had become unsafe and therefore the Khokhrapar route should be opened.

Criticising the detention of Air Marshal (retd) Asghar Khan, Nawabzada Nasrullah Khan and other political figures without trial, the Maulana demanded their immediate release. He said Majlis-i-Shoora was just a farce and if political activities were restored, much-trumpeted importance of the Shoora would be reduced to naught. He said the chapter of elections in Pakistan was not closed as was being propounded, and added that Pakistan had come into being as a result of elections, and elections were the only panacea for all the ills.

CSO: 4220/4

PRESSURE FOR INTERNATIONAL FINANCING AGENCIES: RESENTMENT VOICED

Islamabad THE MUSLIM in English 15 May 82 p 4

[Text]

EVERYTIME Pakistan seeks a loan from an international financial agency for expanding a project, it is advised to make the project economic, efficient and self-reliant. In fact, it is not an advice but a binding condition for the loan whether it is small or large. Pakistan is directed to raise the rates for the services or sale prices of the products of the company which will receive the loan before the loan agreement is signed or the funds are given.

Such demands have been imposed on Pakistan before loans were made available by the World Bank to increase the gas supply. The same demand has been consistently made by the Asian Development Bank before loans are given to the Karachi Electric Supply or any other power generating agency. The World Bank insisted that the water rates in Karachi should be more than doubled before loans for expansion of the supply could be provided. Now the World Bank is insisting on raising fares and freight age of the Pakistan Railways before the eleventh 50 million dollar loan is approved.

Of course, the World Bank and the International Monetary Fund have been constantly pressing Pakistan to scrap all subsidies, whether they are aimed at increasing production or relieving the distress of the consumer in this poor country. Pakistan has been complying with such demands steadily.

The World Bank or the IMF may not be so demanding if Pakistan had not time and again asked for rescheduling repayments of its debt. Those agencies are also in a strong position to make such demands when Pakistan seeks loans on highly concessional terms from the IDA instead of agreeing to the stiff interest rate demanded by the World Bank for its loans. Those financial agencies are aware too that many of the utility companies in Pakistan are in a bad way, both in respect of economy and efficiency, and better managed they could produce far better results.

But when those agencies ask for price or rate rise all around, and want the rise to be very substantial, it is difficult for any Government, elected or military, to yield to the pressure readily. When the lender's economic demands and the borrower's political difficulties come into conflict a stalemate is born, as happens often between India and the world.

Striking indeed is the fact that while the World Bank and other financial agencies pressure Pakistan to raise the rates and prices for the services and goods made available to the people, they do not urge Pakistan to reduce the prices or rates charged by it at incredibly higher levels than obtained around the world. Nobody is pressing the Pakistan Government to reduce the price of sugar or cement which is about three times the international price today. Nobody is pressing the Government not to make a profit of 150 per cent on the telephone system, or to charge Rs. 600 on an urgent passport, or Rs. 100 for leaving the country by air, or two per cent as a fee to the Government on all the import licences issued. If the consumers must pay economic prices for what they get, they should be able to get a car at economic price as well, and other imports should not be made too costly by imposing 200 to 300 per cent import duty and sales tax.

Is it not normal for the consumers in Pakistan to demand that if world prices must prevail in some areas where they are rather low now, must they prevail in other areas, too, where they are currently too high? Similarly, if the rate for water or electricity should be increased substantially should not the higher rates for telephones and passports be reduced? The World Bank and the IMF, which have been advising Pakistan on various aspects of its economy, should bring forth such a well rounded approach to the price rise and rate increases instead of asking Pakistan to raise the rates for only those services for which an IDA or Asian Development Bank loan is sought.

International financial agencies must also realise that if they impose world prices on Pakistan, workers here, would expect world wages too. If they are doing that today they would do that tomorrow as the unrest among the teachers, doctors and postal workers demonstrates. Indisputably if prices have to be economic to balance the project budgets, the wages, too, have to be economic to balance the family budget.

But Pakistan has to strive earnestly to reduce waste in efficiency and corruption in its enterprises and the service sector. It has to eliminate ticketless travelling and financial loopholes at one end and increase efficiency at the other. The railways has to become a modern organisation instead of the ramshackle outfit it has been. Let a serious beginning be made with the railways and other agencies if the international lenders are not to become too demanding and real tough.

MIGRATION TREND TO CITIES ANALYZED

Islamabad THE MUSLIM in English 15 May 82 p 6

[Article by Shamsul Islam Naz: "How to Check Migration from Villages"]

[Text]

FAISALABAD, May 14: While the problem of rural unemployment remains still unresolved, large scale influx of rural labour into the cities has generated the problems of providing adequate housing transportation, sanitation, education and health facilities in urban areas. These are reflected in the emergence of tenements and slums all around our major cities. Any development programme directed towards the attainment of sustained growth in gross output in the long-run cannot be successful without the acceleration of pace of development in the predominant agriculture sector of the economy.

This was disclosed to "The Muslim" by Dr. Mohammad Aslam Chaudhry, a well-known agricultural economist from the local University of Agriculture who has recently completed a study on Agricultural Development and Rural Migration in Sargodha Region. He further maintained that industrialisation all over the world has attracted surplus labour of the rural sector and has thus led to the development of two major philosophies of economic development. The first one advocates the realising of surplus labour from the agricultural sector to reduce the pressure of population on land to facilitate the introduction of modern labour saving technology in agriculture. The second philosophy stresses the fullest exploitation of this surplus factor of production by adopting labour-intensive technology and thus avoiding the pro-

blems of rural out-migration.

He pointed out that the present experience of Pakistan's development has brought forth two basic conclusion. Firstly, the occurrence of green revolution of late 60's in the agricultural sector has brought about the rapid adoption of land-augmenting and labour-augmenting technology like the tubewells and tractors. Secondly, the concentration of agro-based industries in the major urban centres has induced large scale migration of labour from the rural to the urban sector.

It was found out that majority of rural migrants belonged to the non-agricultural classes and migrated mainly because of economic reasons, that is, in search of job opportunities and better incomes. Moreover, greater proportion of rural migrants belonged to the unskilled labour class and were married young adults falling in the age bracket of 15-44 years.

The motivating agencies assisting the migrants to seek jobs in rural areas were mainly informal personal sources comprising of relatives, friends and co-villagers etc, whereas mass media and employment exchanges in the shape of inducement agents were found to be quite ineffective, as only 2.35 per cent of the migrants claimed to have been induced by these sources. In so far as the residential accommodation was concerned, the rural migrants faced serious problems immediately after migration. The problems arose from unhealthy, inadequate and dirty atmosphere of the factory where they were crammed together in factory houses. Moreover, the availability of rented accommodation was either difficult or involved very high rents.

DISGUISED EMPLOYMENT

Dr. Asim Chaudhry also clarified that the rural labour force is characterised by great seasonality of employment having both slack and peak seasons for agricultural and non-agricultural labour. When measured by man-hour criteria, there was found large scale disguised unemployment of labour estimated around 58.6 per cent.

In addition to inter-rural migration, intra-rural migration was also witnessed and intra-rural migrants comprised mainly of landless workers who have no residential facilities of their own and migrate primarily due to social reasons like the displeasure of village landlords, factions in the village and also to join their relatives in the nearby villages.

The distribution of rural labour force was such that two-thirds of the total comprised agricultural labour and one third non-agricultural labour force. Moreover, the study verified the old thesis that there exists considerable which was estimated around 70 per cent on the basis of income criteria.

Lastly, the basic infrastructural facilities and the state of knowledge about modern agriculture was considerably lacking in the backward areas of the Sargodha region and had lower yield per acre, lower cropping intensity and low land-use intensity as compared to the progressive areas. Moreover, smaller absolute quantities of marketable surplus did not facilitate the development of large agricultural produce market in these areas.

AGRO-BASED INDUSTRIES

The author suggested that the fundamental objective, of our industrial policy in future, should be to locate agro-based industries in the heart of rural areas. Such industries should be based on the locally produced raw materials. The net result of such a policy will be the enormous growth of comm-

uter-works in our rural areas having very less implications for urbanisation. At the same time, it will increase the non-farm sources of income for the rural community which can lay the basis for rapid rate of capital formation in our rural sector. In the light of proposed strategy, the pressure of population on agricultural land can considerably be reduced by promoting the growth of such cottage industries as poultry farming, dairy farming, carpet making and the retailing business in villages.

The rural employment exchanges may be opened which may provide information about job opportunities in the rural areas at union council level. Moreover, in order to encourage the growth of commuters and lessen the problem of urbanisation it is suggested that the factories located in urban areas, may provide facilities for the purchase of motorcycles and bicycles on instalments.

FACILITIES

With a view to bridging the gulf between city life, and to reduce the distraction of our villages, it is suggested that the relative attractiveness of rural life may be increased. The modus operandi will be to intensify the electrification of rural areas to provide improved health facilities and vocational educational facilities for the rural community so that the rural folk are better equipped to solve their own problems or engage in some useful business enterprise.

He further suggested that Planning and development boards may be constituted at Divisional, District and tehsil levels which may prepare five years and annual plans to be implemented with the

active involvement of local government, the people and experts. In as much as such planning will help in tackling the major problems the pace of development within agriculture and industry will be stepped up.

MUSLIM LEAGUE LEADER ON SYSTEM OF ELECTIONS

Islamabad THE MUSLIM in English 15 May 82 p 1

[Text]

LAHORE, May 14 Malik Mohammad Qasim, Secretary-General of the defunct Pakistan Muslim League (Khair-ud-Din Group), today said there should be no confusion about the system for holding elections since under the 1973 Constitution. It was proved that the elections were to be held on the basis of adult franchise and that the 1973 Constitution was still there.

Addressing a Press conference here, Malik Qasim said, all political parties and people of Pakistan were unanimous on the system of election as provided in the Constitution. Malik Qasim said in all the constitutions, which were promulgated by various Governments, including that of 1973 it was clearly mentioned that no law could be made against Islamic provision and against the spirit of Quran and Sunnah.

The Government, Malik Qasim said, was issuing contradictory statements, which were creating doubts in the mind of the people. The people, he said, should not be confused by issuing various different statements regarding the system —on which elections should be held.

The Government, Malik Qasim said, had now agreed to talk with a representative of the Government of Afghanistan after a 'long delay'. This decision he said, was belated one. If this step was taken early he said, the political settlement with Afghanistan could have been arrived at much earlier.

CSO: 4220/6

DENATIONALIZATION OF ALL PROJECTS PLANNED

Islamabad THE MUSLIM in English 15 May 82 p 1

[Text]

LAHORE, May 14: The government will gradually denationalise all projects, now in public sector, with a view to affording full opportunities to the private sector to play its due role in the national economy.

This has been told to the seven-member visiting team of United States Agency for International Development by the Government Authorities, Richard Christler, head of the team, told in an interview with PPI here today.

Mr. Richard lauded the investment climate in Pakistan and termed it as "one of the most favourable in the developing countries".

Mr. Richard, on a second visit to Pakistan in four years, said the business sector had become very dynamic, enthusiastic and strong during the past four years and expressed the hope it would further develop with the passage of time.

The investment climate in Pakistan, Mr. Richard said, would further improve with the expansion

of the role of the private sector.

Answering a question about the possibilities of investment in Pakistan, Mr. Richard said, the U.S. government would not make a direct investment in any project, but it would provide a line of credit to Pakistan. He further said that the USAID would invest in certain projects in this country, but declined to identify the projects or quantum of investment.

The team, will hold "fairly comprehensive and wide-ranging discussions" on May 20 at Islamabad with the Deputy Chairman, Planning Commission, Dr. Mahboobul Haq to discuss the findings of the teams during the current visit, he stated.

The projects to be financed by the USAID Mr. Richard said, also be discussed at the meeting.

The team on return to Washington would submit a comprehensive report on the investment climate, projects feasible to be financed by the USAID, joint ventures and other findings of the visit to the Agency for International Development, Christler concluded.

CSO: 4220/6

SUGGESTION FOR SECOND AIRLINE SUPPORTED

Karachi DAWN in English 17 May 82 p 7

[Text]

IT IS a measure of the lopsided development in our transportation sector that, while the railway is trapped in its restricted, decaying grooves, air travel has continued to soar. The trend, having found its own momentum, will prove difficult to reverse. Hence, to make the best of a bad bargain, new thinking is required to enhance the level of economy and efficiency in the operation of domestic airline services. It is in this perspective that the idea of a second airline for domestic air traffic is to be seriously explored. The idea has been in the air for quite some time and now possibilities of a new airline in the private sector are reportedly under active consideration of the Government.

A number of private parties are known to have moved the authorities in the past for permission to set up another airline for domestic routes. Detailed feasibility reports had also been prepared. Over the years, the justification for another domestic airline has increased because the national carrier has obviously not been able to cope with the increased traffic. In the process, despite repeated increases in fare, its performance has declined.

Services offered to the travelling public have deteriorated. The airline, despite strong measures under the cover of Martial Law against the employees' unions and also some senior executives, has not been able to check the rot and offer reliable and efficient services. It seems to be excessively preoccupied with its corporate problems. Apparently, international competition is also taking its toll and it is likely that the tough battle on international routes does not leave the airline with sufficient stamina and expertise to take care of its domestic operations.

But the most important element is the complete monopoly that the airline has in domestic air travel. Monopoly creates a fatal sense of complacency. This is what appears to have gone wrong with the national airline. It deals with 'captive' passengers. It is obvious that the situation can be improved by introducing healthy competition in this sector. How best can this competition be created is to be seriously pondered. One is aware of the options that can be examined for providing better and efficient travelling facilities to domestic air pas-

sengers. First, there is the option of bifurcating the airline into two units — one for international routes and the other for domestic routes. This is the set-up in India. But it will again leave the domestic unit in complete monopoly and there might be an excuse for increasing managerial expenses. Another choice is to create a small airline with a fleet of say, six to ten seaters to connect points that the national airline does not serve at present since its smallest aircraft, Fokker, cannot be flown there profitably or for lack of proper landing facilities. Without going into other reasons for the feasibility or otherwise of this arrangement, it is clear that it will again mean no competition. The third option is that a new airline in the private sector be allowed not only to fly smaller points but also share the busy routes with the national airline

so that genuine competition is generated for the benefit of the passengers. The need for competition is imperative. The national airline has operated under conditions of monopoly in the domestic sector since its inception. This has not been good for its health. It needs competition for its own good. Since aviation is a capital-intensive industry, involving technology at its highest level, care will have to be taken to select the parties capable of operating a modern airline. A consortium of the interested parties may also be considered. Once a private airline is in existence, it may be allowed to run charter flights on international routes to cater to special groups. The private sector can also play a useful role in carrying cargo at competitive rates and thus boost the country's exports. All these things, of course, will depend on substituting monopoly for sound competition.

CSO: 4220/5

CHINESE TEAM UNDERTAKES TEA CULTIVATION SURVEY

Karachi MORNING NEWS in English 16 May 82 p 8

[Text]

ISLAMABAD May 15: A four member team of Chinese tea experts arrived here last night to undertake a survey of the potential for tea production in the Northern Areas of Pakistan.

The team is visiting Pakistan on the invitation of the Pakistan Agricultural Research Council. Headed by Mr. Hu Hai Bo, Deputy Chief, Tea Research Institute, Hangchow, the experts will stay in Pakistan for a month and will examine the possibilities of tea cultivation in Pakistan in future.

The Chinese experts called on the Chairman, Pakistan Agricultural Research Council this morning, and discussed with him at length the scope of the survey they will undertake. Chairman PARC Dr. Amir Mohammad said he looked forward to have the views of the Chinese experts regarding the prospects of tea cultivation in the country. He said that Pakistan at present imports tea worth 120 million US dollar annually and with increasing the domestic production of tea, Pakistan could save this foreign exchange.

The leader of the Chinese team, hoped that tea can be successfully produced in the upland tracks of Pakistan. He, however, said that a survey like the present needed a longer period.

During its stay in Pakistan, the team will visit Northern Areas to find out suitable locations for tea cultivation. They will also introduce the Chinese tea cultivation methodology in Pakistan for the first time.--

CSO: 4220/5

ZIA ON THE PACE OF DEVELOPMENT IN BALUCHISTAN

Karachi BUSINESS RECORDER in English 12 May 82 p 6

[Text]

QUETTA, May 11: President General Mohammad Zia-ul-Haq has said that Baluchistan has made great strides in different walks of life and the results were obvious and visible. There is peace in the area and the pace of development activities have been increased, he added.

Addressing a press conference in the Governor House here today the President said during his current visit he met cross section of the people including members of the Federal Council, local councillors, Ulema, growers, representatives of the trade and business community etc, who had all acknowledged that all round development had taken place in Baluchistan.

The President pointed out to the sense of deprivation which had been prevailing among the people of this province in the past. These feelings may still be there to some extent but their intensity has definitely been lessened considerably, he remarked.

The President referred to certain snags coming in the way of rapid achievement of the results and in this context mentioned corruption, maladministration and red-tapism.

CORRUPTION ON DECREASE

The President said that the incidence of corruption in Baluchistan was comparatively much less than in other parts of the country. That could be due to a number of factors including smaller population, people here being more honest and proper

vigilance by the provincial administration.

MIXED FEELINGS

Referring to his yesterday's (Monday) visit to the Afghan refugee camp at Mohammad Khel, the President said he found mixed feelings of grief and joy in them. Grief because they were forced to leave their homes and joy that the people of Baluchistan -- were demonstrating deep sympathy and self-less service to their Afghan brethren which they wanted to continue till they (refugees) returned to their homes honourably. He said he was also happy to see the mosque, school, dispensary and carpet weaving centre set up at the camp.

When a correspondent wanted to know the reason for the delay in taking up the Sandak copper mines project in the Sandak area of Chagal, the President said that the project of this magnitude involving huge investment could not be undertaken within country's own resources. Certain foreign countries have shown keen interest and expressed their willingness for investment in the project he said he had talks with a foreign party on the subject before his present visit to Quetta.

Replying to a question on a book on Pakistan by a foreign journalist in which he had quoted the President having supported one unit or creation of 53 provinces the President said that the journalist had made gross

misrepresentation.

The President told a correspondent that if qualified persons were available in Baluchistan they would be taken on executive posts in banks and other financial institutions.

The Governor of Baluchistan, Lieut-General Rahimuddin, told a correspondent that the PIA authorities had assured him that by June next their flights between Quetta and Karachi would operate on Fridays as well. The frequency of the flights, he said, could not be increased between Quetta and other parts of the country due to shortage of aircrafts.—APP.

The President was briefed about the development schemes in Baluchistan in Quetta this morning.

He was informed with the help of maps and charts that under the provincial annual development programme Rs. 2070 million had been spent on more than 800 development schemes in the province during the last five years.

The main sectors of development were water, power, irrigation, agriculture, communication, health and education etc.

In addition Rs. 3,650 million had been spent during the same period on federally financed projects in the province.

The President expressed his satisfaction over the pace of development and directed to further accelerate the tempo of development.

FARM-TO-MARKET ROAD DEVELOPMENT PLANS LAUDED

Karachi BUSINESS RECORDER in English 11 May 82 p 2

[Editorial: "An Example to Follow"]

[Text]

The proposal made by the Sind District Councils for the inclusion of a plan to construct 562 miles of farm-to-market roads in the next Annual Development Programme, deserves to be seriously considered by the framers of the programme. How much damage is being caused due to delay in bringing the farm product to the market in the absence of proper roads, can very well be imagined. According to a study prepared some-time back, the post harvest losses in the agriculture sector were as high as 40 per cent in respect of some of the important crops like wheat. In the case of rice, these losses were estimated to be around 25 per cent. On an average, one-third of the total produce was lost after the crops were harvested. It is by all means a colossal loss which a poor country like Pakistan cannot afford. In view of these disclosures, the claims made by certain experts that this country was never short of meeting its wheat requirements, were not very untrue. Some steps have

been taken to minimise these losses by constructing proper storage capacities and opening up procurement centres near the farms. But much remains to be done in this field.

Increase in agricultural production cannot be expected unless the farmer gets due return for his labour. In our country the major contribution is being made by small farmers and they cannot countenance losses for long. Despite having the capacity to produce surpluses on their lands, they keep it to the subsistence level. This is also a national loss. And the major reason for this trend is the lack or total absence of facilities for them to dispose of their surplus produce gainfully. Among these facilities the basic and of primary importance is proper roads connecting the villages with the mandis. If this difficulty is overcome, we can then think of achieving a real breakthrough in this sector much earlier than we plan. Besides, construction of

such roads would serve another purpose also. Besides facilitating the movement of the produce to the markets, these roads would create avenues of communications between the rural and urban areas thereby encouraging the growth of small industry in rural areas and helping the farmers to adopt modern and scientific methods of cultivation. In other words, the agricultural extension services can be made more meaningful and effective which would ultimately help in boosting agricultural production and bettering the quality of life of our rural population.

In the case of sugarcane, a specific cess by the name of road cess is regularly realised by the authorities. But even in the cane growing areas, the roads are conspicuous by their absence and nobody seems to have ever taken the trouble of finding out as to how the proceeds of the cess were being used. If the cess was used for the purpose it is being charged, by now hundreds of miles of roads would have been

constructed and the problem would not have been as acute as it is today. A lot of wastage which the country had to suffer would have been averted. We would urge the authorities to see as to how these proceeds are being used and find out why the amount was not spent on the construction of roads. It is encouraging to see that the problem has been engaging the attention of our planners for the last few years, but at the same time it is a matter of regret that steps are not being taken with the urgency the problem deserves. The District Councils of Sind by proposing construction of 562 miles of roads during the next year, have actually set an example for other provinces to follow suit and take measures to improve the means of communication between the rural and urban trading centres. The process would definitely accelerate the pace of development in the all-important agricultural sector.

TARBELA'S POWER CAPACITY TO DOUBLE IN 4 MONTHS

Karachi BUSINESS RECORDER in English 11 May 82 p 3

[Text]

ABBOTABAD, May 10: Existing turbo-generating electric power capacity of 1,400 megawatt of Tarbela Dam will be doubled within next four months with completion of Rs 278 crore new power station on tunnel number two.

This was disclosed by General Manager, Tarbela Dam, Asif Qazi, at a meeting with a delegation of Punjab journalists currently on a goodwill visit to NWFP province.

He said that out of five tunnels connected with 11.1 million acre feet water storage capacity reservoir for proper utilisation of Indus water three have been exclusively reserved for generating electricity and rest for releasing water for irrigation purpose.

He explained that at present four turbo generators on tunnel number one are producing 700 megawatts of electricity. With completion of new power house, additional 700 megawatts will be supplied through national grid in this way, he added. Tarbela dam would be feeding more than 50 per cent of electric power through national grid to meet total power requirement of country. He said that present electricity requirement of the country is 3,800 megawatts. While existing electricity generating capacity of the country is 3,300 megawatts, in-

cluding 700 megawatts produced by Tarbela.

Qazi said that the work on laying 500 KV line from Tarbela Dam to Guddu via Faisalabad has been completed while work between Guddu and Karachi is in progress. He further said that the Tarbela project is designed to produce 1,700 megawatt of electricity by 1984-85 and 3,300 megawatts by 1987-88.

In reply to a question Qazi said that according to original plan the dam was designed to exist for 55 years but as a result of latest survey and research work certain new measures are being undertaken for silt cleaning and maintenance which, he added, will raise life of the dam upto 70 years.

To another question he said, that embankment of dam and water reservoir have been built after careful study about behaviour of river Indus dating back 118 years project.

The chief said there is no truth in rumours that the lake is causing waterlogging problem in the surrounding areas. Proper investigation was carried out and it has been found that waterlogging is result of excessive use of water by farmers for irrigation and not due to lake seepage.

CSO: 4220/638

CANAL REHABILITATION PLAN PREPARED

Karachi BUSINESS RECORDER in English 11 May 82 p 12

[Excerpt] LAHORE, May 10: A master plan for the rehabilitation of the existing canal system of the country has been prepared by the government and a sum of Rs. 1300 million have already been sanctioned for the project, Vice Admiral M. F. Janjua, Federal Minister for Food and Agriculture said here today

He was inaugurating a seminar on irrigation water management sponsored by the Pakistan Engineering Congress at the WAPDA auditorium this morning. A large number of engineers and scientists attended the seminar.

The minister said that water was one of the most important natural resources in our country and this resource was limited in quantity. It was therefore, necessary to make the most efficient and judicious use of this resource besides ensuring that there was adequate water for our future generations

The existing canal system of the country, he said, was defective because during the low flow periods many canals did not receive irrigation supplies and during the period of high level flows a large quantity of water went waste, to the sea.

Vice Admiral Janjua said that the situation had, however, improved with the Mangla and Tarbela Dams and the planning of another big Kalabagh Dam was a step in the same direction

The minister called upon the engineers and specialists to come closer together for increasing farm output. In this connection he said that we were fortunate to have a large reservoir of under ground water in the Indus plains but it had to be managed judiciously as it could lose its utility with the degradation in water quality. For the control of water-logging and salinity, it was necessary to provide sub-surface drainage and to devise means for the harmless disposal of the saline effluents.

In the irrigation system, he said, there was need to introduce a flexibility so that the existing deliveries could be adjusted to the crop needs. At the farm level the inherent water losses had to be controlled and means provided for the disposal of excess waters.

PRE-FABRICATED HOUSING PROJECT APPROVED

Karachi BUSINESS RECORDER in English 12 May 82 p 1

[Excerpt]

Permission has been granted for the construction of factory in Karachi that will mass-produce pre-fabricated houses, Sind Governor Lt-Gen. S. M. Abbasi, said in Karachi yesterday.

Inaugurating a three-day seminar on "Development of Human Settlements Through Public Participation" at the Liaquat Memorial Library auditorium, he said using pre-fabricated parts it would be possible to construct a three-room house from scratch within one week.

Besides lowering construction costs, the use of pre-fabricated parts would solve many problems which persons constructing new houses with traditional materials have to face, he added.

The Governor briefly surveyed the problems facing urban planners, who have to try to provide basic civic amenities for millions of people living at close quarters.

He said no particular attention had been paid to these problems

in the past, and they had besides been aggravated by the phenomenon of "urban drift", i.e. the tendency of people residing in the countryside to come to the cities in search of work and better living facilities.

Lt-Gen. Abbasi stated that in order to decrease the pressure on the larger towns and cities, a two-pronged strategy had to be adopted, which consisted of firstly, controlling "urban drift" by providing better living amenities and work opportunities in rural areas, and secondly, initiating new housing projects in the urban areas.

He emphasised his government's determination to improve the quality of life in rural areas, and encourage the setting up of small industrial units there so as to provide more employment to the people living there under the on-going three-year rural industrialisation programme.

Simultaneously, he continued, efforts had to be made to ensure that there was no over-industrialisation in existing urban centres.

CSO: 4220/638

WORLD BANK'S LOAN CONDITIONS FOR RAILWAYS

Karachi BUSINESS RECORDER in English 12 May 82 p 1

[Text]

WASHINGTON, May 11: Negotiations between Pakistan and the World Bank for 50 million dollar IDA loan for rehabilitation of railways have been stalemated here for nearly a week on the "conditionality" for the allocation.

The World Bank is reported to be insisting on an appreciable increase immediately in railway passenger fares and freight rates on the ground that there is too large a gap between the variable costs of railway operations and the income derived from it.

Pakistan reportedly has agreed in principle, to the desirability of balancing up the income and the expenditure and, to this effect has drawn up a plan of action to reduce operational costs. The plan includes review of uneconomical train services, cracking down of ticketless travel and plugging other loopholes in revenue collection as well as ad-

option of measures to increase efficiency.

Basic differences of approach seem to have plagued the talks so far: Pakistan stresses public welfare, the World Bank apparently attaches higher priority to budget-balancing. Islamabad wants time to review the overall situation and not to get into increasing passenger fares and freight rates until fiscal 1983-84. IBRD appears to be seeking prompter action.

This is the 11th IDA loan Pakistan is seeking for its railways. Interest-free loans have become harder to get since the United States failure to replenish fully the IDA funds following its domestic budget squeeze.

The issue is expected to be resolved by tomorrow. Fighting the Pakistan battle is its railway Secretary, A. Kalam, assisted, among others, by Economic Minister at the Embassy, Ehsanul Haq.

CSO: 4220/638

'MADE TO ORDER' CULTURE AND CULTURAL POLICY CRITICIZED

Karachi DAWN in English 13 May 82 p 9

[Editorial: "Waiting for Culture"]

[Text]

IT MAY never be too late for a nation to discover or define its culture, if only for the purpose of channelling official patronage. Thus, when it was reported about sixteen months ago that the Federal Ministry of Culture was finalising a cultural policy, we took notice. It seemed exciting to wait to see what the official cultural policy would be in a setting that is not congenial enough to different manifestations of culture. What culture could be nurtured in a society so overwhelmingly illiterate at one end and intellectually not well-disposed towards variety and pluralism? The Ministry of Culture has kept us guessing and we may continue to do so because the Ministry is still fumbling with its task. Now a news report tells us that it has asked various cultural bodies in the country to submit their recommendations for inclusion in the policy. In this regard, the cultural bodies are also understood to have been asked to study the cultural policy of India. Extracts from the cultural policies of some Asian countries and a number of UNESCO documents have also been given to the "experts". Typically, the experts are

bureaucrats who sit in judgment on such issues by virtue of their current postings. It is reported that the Government bodies associated in the exercise include the National Film Development Corporation (NAFDEC), the Pakistan National Council of the Arts (PNCA), the National Institute of Folk Heritage, the Department of Archaeology in Karachi and the Department of Archives in Islamabad. These departments are expected to hammer out an impressive compendium of official wisdom on the otherwise elusive subject of Pakistani culture and how it should be projected. In a similar committee to draw up "a comprehensive plan for cultural projection of the country abroad", a meeting of which was held in Karachi in January, representatives of the Export Promotion Bureau and PIA were also included. But what is the Government's role in the protection and promotion of national culture? Can a cultural policy be in any sense oblivious of the actual state of our culture?

Culture, certainly, cannot be made to order. Its existence and stimulation depend on the

quality of life of the members of a society. It would be a digression to discuss the identity of our culture and account for serious disagreements that may flow from such a discussion. But it is well to remember that culture specifically consists of such elements in our lives as language, educational, scientific and intellectual development, ideas, beliefs, institutions, works of art, customs and rituals. It not only reflects the patterns of life at a given time; It also moulds them. All this seems too serious a business to be left to the bureaucrats. They surely cannot create culture where it is not or change it through notifications. What the Government can do, at its best, is to provide the infrastructure. It can subsidise genuine attempts to promote culture which will have to come from writers, artists, intellectuals and other people possessing creativity who work in an atmosphere of freedom. As it is, the Ministry of Culture is assuredly uninvolved with the basic problems that relate to the stimulation and growth of culture. Any cultural policy, however cleverly it may have been devised, is likely to wither away in our anti-intellectual environment. Cultures, also, are not sustained by only small, isolated elites. A culture, as we have stated before, has its length, breadth and depth. Without the ability of a large majority of our people to participate meaningfully in any refined cultural activity, because of its illiteracy and poverty, culture is bound to be reduced to a hothouse plant. Folk customs that tend to soothe the barren lives of the dispossessed, cannot be incorporated into a living culture that is recognised for its aesthetic and artistic refinements. Even the small educated class is culturally under-nourished. Culture has

to be a manifestation of the liberation of the intellect. A society can make use of its culture only when it has the capacity for rational and abstract thought. The life of our educated and moneyed class presents the reality that we want to ignore when we talk of culture and civilisation.

A cultural policy will be pointless if the broad masses are unable to participate in legitimate cultural activities. A conscious involvement in cultural affairs is impossible without education. The first task is to have a firm and broad base of education. It is a pity that nothing much has been or is being done in this direction. The people's right to education precedes their right to have a cultural policy. We will first have to build foundations for culture, such as libraries well-stocked with good locally produced books, art galleries, museums, archives and theatres. We have repeatedly lamented the lack of artistic and intellectual freedom in our society. Our creative minds are allowed few outlets. Intolerance, bigotry and mindless plagiarism of foreign artistic creations have distorted our cultural expression. We have an intriguing attitude towards performing arts. All these distortions are amply reflected in our arts and the mass media. The book industry symbolises the debacle. The cinema, too, can be taken as a measure of the quality and reach of our popular culture. In this perspective, any talk about defining and promoting the national culture can only serve to keep some of our well-paid officials busy. Let them take their time in preparing their recommendations. Ultimately, the Pakistani culture will be defined and enhanced by an educated and enlightened populace, aware of the nation's heritage as well as its creative possibilities.

COMMENTARY ON CONFLICTS IN THE SOCIETY

Karachi DAWN in English 13 May 82 p 9

[Karachi Diary column: "Living with Conflicts" by Ghazi Salahuddin]

[Text]

ALL political systems, democratic or otherwise, aspire to achieve a consensus in society. The key to any system's survival is its ability to resolve normal relations of conflict in a manner that is accepted as just. Conflicts that cannot be eliminated or resolved in accordance with a society's values could lead to violence — and change.

No, I am not talking about violence. Let us look at the other face of the coin. There are signs of increasing conflict in different sectors of our society. The search for consensus in specific areas is being frustrated by real or contrived divisions. Lines are being drawn everywhere.

Take the teachers' strike. Just when the Government-cadre teachers launched their protest in Karachi and elsewhere a week ago, the two-month-old strike of school teachers in the Punjab was reported to have been called off. And in Karachi, the teachers of nationalised colleges were not on strike.

While the news of the long strike, marked by some agitation, was largely kept from television, its expiry was reported with a flourish. We were taken to school and even classrooms.

But in no time the familiar pattern stressed itself. The school teachers were divided in rival fac-

tions, making divergent claims about the strike. There was the Mut-tahida Mahaz that had called off the boycott. The Majlis-i-Amal Asatiza was still holding the banner of strike. The Federal Finance Minister, while promising interim relief for Government servants with the announcement of the annual budget next month said on Sunday that the strike had not been called off fully.

Obviously, professional groups, unions and parties are unable to remain united in their struggle for economic or political rights. Parallel unions can be floated and maintained. As a newsman, I know the situation well because the journalists were among the first to be affected by division — dictated not as much by ideology as by reasons of expediency. The process is helped by feelings of fear and uncertainty.

In times of crisis, conflict is unavoidable. People can be divided on matters of principle. But why is the process that was professedly intended to eliminate polarisation and conflict now seen to be generating fragmentation? And what does this fragmentation mean in terms of its present impact and future consequences? Will these divisions lead to antagonistic contradictions incapable of being resolved through mediation?

There is another aspect that should not be ignored. Tactical divisions, often accompanied by real

conflicts over values and interests, can become all-pervasive and affect institutions the unity of which has for long been taken for granted.

Two weeks ago I had referred to the attack by militant rightist students on two Lahore newspapers that have been supporters of their cause. It was something to ponder.

Parties

That the Government itself may be concerned with this fragmentation was indicated this week by the President's remarks that if the number of political parties was reduced to one or two, he would be prepared to lift restrictions on political activity. He was quoted as saying: "How can you hold elections with 78 political parties in the arena?"

One doesn't know about the 78 parties and some leaders were quick to point out that only a few parties were important. It was also recalled that on July 5, 1977, there were only two parties in the arena. Or were there three?

In any case, I found the reaction of the Karachi Urdu daily that represents the (defunct?) Jamat-i-Islami very instructive and relevant to my subject of this week. This newspaper is the only party organ that survives. It is also significant that the Jamat is thought to be the longest-lasting supporter of the present Martial Law regime.

In its editorial on Monday, the Jamat newspaper was manifestly

abrasive. The very heading tells enough: "Bas bahut ho chuka!" I cannot paraphrase it in any detail. However, it stressed that such pronouncements were perhaps meant to avoid the moment of decision, create confusion, involve public opinion in frivolous disputes and reduce general awareness in to fragments that point towards different directions.

The main thrust, of course, is that elections should be held and that political parties and elections go together. Do we not, at least, have a consensus on this point? Or are there real conflicts planted in this bland commitment to the electoral process? Will the parties really in favour of elections please stand up?

Such doubts enhance the sense of disquiet that is freshly being expressed by the middle-class — and make groups ready for further divisions. Besides teachers, doctors are also protesting. School teachers had launched the protest in the Punjab but now the college and university teachers of higher social status are also involved. Prices are becoming an issue in this pre-budget season. Even the Federal Finance Minister spoke about "some restiveness" when he announced the formation of a committee to revise government pay scales.

There is already some scare about what the budget might bring. An afternoon daily speculated that the petrol price "would be pushed up at least to Rs. 35 per

gallon" since a major effort for resource mobilisation would be required to finance the big development budget that has been promised.

These pressures might make it more difficult to maximise consensus in critical areas. We do not seem to know enough about how conflicts are resolved. That is essentially the goal of political activity and democratic freedoms. So seem destined to live with more conflicts.

Conflicts, we are told, create anxiety. To relieve anxiety, we have to make adjustments in our personal lives. So far, things have made us pensive and passive. We have to come to terms with our own guilt in what has come to pass.

Ultimately, we will be confronted with difficult choices. And the most difficult thing in life is to choose. Consider the predicament of teachers and doctors. They are faced with the conflicting values of their noble professions and a society that has become insanely materialistic.

Other mortals are even more deeply divided by the conflict between what is and what should be. What are the options? The conflicts and contradictions that are not irreconcilable have to be got out of the way. It may be well to remember that Pakistan was created by leaders and the masses who were not afraid of political change and who did not worship order at the cost of liberty.

TAXATION SYSTEM CRITICIZED

Karachi DAWN in English 13 May 82 pp 9, 11

[Article by Sultan Ahmed: "A Taxation System Oblivious of Inflation"]

[Text]

SEVEN years ago personal income up to Rs. 12,000 per year was exempt from income tax in Pakistan. The same small figure holds good to this day regardless of the galloping inflation, the soaring cost of the essentials and the tremendous increase in the rates for utilities and other services.

Compared to this static situation that has lasted too long, personal income exempt from taxation jumped from Rs. 6,000 per year in 1972-73 to Rs. 9,000 the next year, and to Rs. 12,000 in the following year — a hundred per cent increase in the income exempt from taxation in two years.

But since then the same Rs. 12,000 has held the field for the last seven years despite the tremendous economic changes in the world and major shifts in economic policies within the country.

The official wholesale price index within the same seven year period jumped from 211.28 points (base year — 1969-70) to 392 points — in February of this year. The increase was by 181 points or by 86 per cent.

The official consumer price index for the government, industrial and commercial employees in the same period rose from 200 points to 396.63 points in February of this year — an increase of 196 points or 98 per cent.

Admittedly, official estimates of inflation in Pakistan are very modest or are grossly understated. But even if we go by the low official figures personal income exempt from taxation should have risen to about Rs. 21,000 by now; but it has not in spite of the persistent public clamour and pious pre-budget hopes of several years.

But if we go by the more classical method of computing inflation, that is the increase in total money supply minus the increase in Gross National Product, personal income exempt from taxation should by now be far larger than Rs. 21,000.

Money supply, GNP

Money supply increased from Rs. 2,800 crore in July 1974, to Rs. 10,399 crore in June last year — an increase of nearly 300 per cent. The increase in GNP during the same period was 40 per cent. So the real inflation during the period was 260 per cent — an average of 43 per cent per year for six years.

If in spite of the tremendous increase in inflation low income groups have not been given any income tax relief during the last seven years, how have the rich fared? The rich have been given notable relief in taxes, except in income tax. The Estate Duty was abolished on July 1, 1979. For purposes of wealth tax minimum wealth taxable has been raised from Rs. two lakh to Rs. five lakh,

exclusive of agricultural land. Gift tax which was five per cent on the first Rs. 50,000 has been reduced to 2.5 per cent. Similarly, Gift Tax payable on gifts up to Rs. eight lakh has been slashed by 50 per cent, and sizeable relief provided for larger gifts as well.

While the rich have been given liberal concession in respect of wealth tax and gift tax to accommodate the soaring inflation, and relieved of the need to pay Estate Duty, why has not any tax concession been given to the lower income group, particularly those whose income becomes taxable at Rs. 12,001 per year? This is, indeed, a very relevant question in an Islamic state where the pains of the poor should matter more than the troubles of the rich. Should not those who find it hard to make both ends meet receive at least equal consideration as those who have wealth enough to pay Wealth Tax, can afford to give large gifts to warrant the Gift Tax; and then leave enough properties behind when they die for their heirs to enjoy the current exemption from Estate Duty?

Lower group burden

Of course, the concession given to the rich in the present scale of things and within the current social framework is not large or too liberal. Inflation has made a hash of everything. But what is really incongruous is that the poor among the income tax payers are in 1981-82 for worse than they were in 1974-75 when in addition to the exemption of Rs. 12,000, there was a Personal Allowance of Rs. 3,000 for the salaried employees and Rs. 2,000 for the non-salaried, and an Earned Income Relief of 20 per cent of the salary income, with a minimum of Rs. 25,000 and a maximum of Rs. 5,000. Together, the three exemptions meant a total exemption of Rs. 20,000 for a lower middle income salaried person.

But today there is neither the substantial Personal Allowance

wance nor the more liberal Earned Income Relief. Instead of Rs. 20,000, payment of income tax now becomes due at Rs. 12,001.

That is not all. Investment permissible for earning income tax relier has been raised to 33 1/3 per cent subject to a maximum of Rs. 40,000; but following the Income Tax Ordinance of 1979 there is no straight deduction of the investment made from the amount taxable. Instead, a new averaging formula has been devised that relates tax relief to the actual tax payable. That favours the high income groups to an extent, and not the lower or middle income groups. Even for the high salaried person the relief is small to really promote investment.

The investment made loses its market value if they are shares of public limited companies after July 1 each year when the investment closes. And if the investment is made on ICP or NIT the investor loses in real terms because of the inflation and the low returns from such investments, particularly after the deduction of zakat.

Such tactics have paid excellent dividends for the government. Income tax revenue formed 14.6 per cent of the total tax revenue of the government in 1978-79, 17 per cent in 1979-80 and 19 per cent in 1980-81.

The total number of tax payers in the country, too, rose to 844,645 by June last year and is expected to touch the impressive figure of one million by next month — a year ahead of the schedule for netting a million tax payers.

The trend in Pakistan in respect of both the tax burden and the number of tax payers is sharply different from that now prevailing in India. When the 1981-82 federal budget was presented by Mr. Venkaramani

in India he let 1.5 million tax payers out of the Indian tax net with four million and gave substantial tax relief to a million more tax payers. At the end of the year the new Finance Minister reported a distinct increase in income tax revenue.

Personal income exempt from taxation in India has also jumped from Rs. 8,000 to Rs. 20,000 within three years — from Rs. 8,000 to Rs. 12,000 in 1980-81, then to Rs. 15,000 next year, and in the current 1982-83 budget the exemption shot up to Rs. 20,000. In addition, there is a personal allowance of Rs. 6,000 for the salaried class. In the area of investment the first Rs. 5,000 is totally tax free, the next Rs. 5,000 is tax exempt up to 50 per cent, and thereafter the exemption is 40 per cent upto Rs. 40,000. His motto, said Mr. Pranab Mukerjee, was: "save-invest-produce and get concession to export."

No saving, no investment

In the kind of tax structure that obtains in Pakistan today the people are not able to save, invest and develop the country. Hence Tax Bar Associations as well Chambers of Commerce have been pleading for raising the income exempt from taxation to Rs. 20,000. In addition the Investment Allowance must be treated as a straight reduction for tax purposes instead of continuing with the present absurd formula that positively discourages saving.

The current fiscal policy has raised the income tax revenue from 125 crore in 1974-75 to an estimated Rs. 778.5 crore during the current year. That is a staggering increase while the

number of tax payers has more than doubled during the last four years. But can public weal be measured by tax collection alone? Is not a policy of helping the people to save more, invest more and develop the country quicker better than a policy that enables the government to mobilise the savings on a compulsory basis through taxation and then make investment at a high cost and administer those investments at a heavy cost?

There has been a good deal of talk about the quality of life in recent times, particularly of the life of the poor. The present rigid fiscal policy that is inexorably revenue-oriented and aimed to make the government the dominant-centrepiece of the economic system cannot contribute to a better quality of life in Pakistan. Instead, it will only aggravate the discontent and increase the financial frustrations of the people.

Of course, it is not enough to raise the exemption limit for income tax from Rs. 12,000 to Rs. 20,000. The highest tax of 66 per cent on personal income should start not from Rs. 1,00,000 but from Rs. three lakh because of the inflation. It was in 1967-68 that the highest tax of 70 per cent was levied on taxable income of Rs. 1,00,000 and above and since then — for 15 years — the country has been subjected to tremendous inflation, reducing the value of Rs. 1,00,000 to Rs. 25,000. Even Dr. Mahbubul Haq admits that. Hence let the new scales be worked out in a realistic and fair manner, and not to uphold and sustain the status quo because of simple lethargy or elementary fears.

CENTERS TO IMPART HAJ TRAINING TO PILGRIMS

Karachi DAWN in English 13 May 82 p 10

[Text] About 2,000 centres have been set up throughout the country to impart training to intending pilgrims, Mr Zakaria Kamdar, Adviser on Haj Affairs, told a Press conference after inaugurating the first masters' training course at the Haji Camp on Wednesday.

He said that he had already visited Punjab, NWFP and Baluchistan for this purpose and inaugural function at Karachi was the beginning of this training programme in Sind province.

He said training has been made compulsory for all intending pilgrims, who have also signed an affidavit to this effect. To fulfil the commitment, they should contact the nearest training centre, and come to Karachi after completing the said training, he said.

Mr Kamdar said that for the purpose of training, the Federal Government, through the Provincial Governments, was constituting Haj Committees.

For the training of these Haj Committees, the Government has published an Instructor's Manual. A 130-minute colour film will also be shown in cinema houses and through mobile vans in rural areas.

Inauguration

Earlier, inaugurating the course the Minister of State said that the Government, during the past four years, had made a big headway towards Islamisation of laws in the country, which, he hoped, would ultimately lead to the establishment of a real Islamic order.

He said Haj was an important canon of Islam and the Government had been taking steps to provide better facilities to intending pilgrims in its performance.

The objective of these facilities was to create such a spirit among the Hajis that after performing Haj they return to Pakistan with the determination of serving the cause of Islam and supplementing the efforts for the promotion of Islamic values in the country.

He said that this spirit was to be developed by the master trainers and they have to fulfil this responsibility successfully.

He stressed, in particular, the need for apprising the pilgrims of baggage rules.

Dress plays an important role in the identification of the nationality of a pilgrim and this year the government has decided that the pilgrims will have to wear Shalwar, Kameez or Kurta, Paijama. No pilgrim will be allowed to use "dhoti", he added.

Similarly, for female pilgrims it would be compulsory to wear a light coat and chaddar. He warned that a loose dress would land them in trouble as the Khuddam could throw them out of Kaaba.

Speaking on the occasion the Sind Minister for Religious Affairs and Zakat, Mr Dost Mohammad Faizi, said that performing Haj was in itself a training, which a Muslim undergoes to achieve the sense of passing a life according to the tenets of Islam.

Mr Faizi said that "we could gain the favour of Allah when the process of Haj brings a revolution in our life and we could follow a course of honesty, truth and pioussness".

He said the President had, this year, abolished the quota system and all the seats have been reserved for those who succeed in the ballot.

CSO: 4220/640

PAKISTAN

USAID TEAM TO IDENTIFY SPECIFIC PROJECTS

Karachi DAWN in English 13 May 82 p 12

[Text] The US AID mission is here to "identify specific projects" for joint venture collaboration, a representative of US Overseas Private Investment Corporation (OPIC), Mr Jordan Hunt, said at a meeting with the local businessmen and industrialists, organised by Pakistan-US Trade and Industry Committee of the FPCCI.

He said a US team of 25 to 30 investors would visit Pakistan in December this year to finalise the projects.

Speaking on the occasion Mr Richard Chrisler, leader of the Project Identification Document (PID) for the Private Sector Mobilisation Project, said investment opportunities in Pakistan have created tremendous interest among the US business community.

Earlier, welcoming the visitors, Mr Maher H. Alavi member Managing Committee, and a former President of the FPCCI, proposed the funding of an economic study group for the benefit of private sector as a whole and for advising the government about private sector problems and constraints.

He further sought for financial assistance for setting up a vocational centre for development and certification of vocational skills and middle management training services.

CSO: 4220/640

USAID TEAM TO MEET BUSINESSMEN

Karachi DAWN in English 13 May 82 p 12

[Text]

RAWALPINDI, May 12: The two teams of the United States Agency for International Development currently visiting Pakistan to assist in developing activities in national economic development, will hold a meeting with the representatives of the private sector at the Rawalpindi Chamber of Commerce and Industry here on May 16.

The team, which will help draft the project identification document for the private sector mobilization project, is led by Mr. Richard Crislers director of Trans-America Associates, capital markets specialist.

The project was included in the renewed US economic assistance programme discussed between the two countries in August last year.

The team will review the appropriateness of considering pre-investment feasibility analysis services; middle-management training services; financial services for venture capital; export-market development services; management, accounting, technical and bureaucratic industrial tension services; private-sector

policy studies; labour-training services; and free trade zone, transportation and other industrial-development services.

The other team is a private-sector reconnaissance team and it will be following up on the initiative announced by the Reagan administration last year to take an in-depth look at the expanding domestic and foreign private-sector activities in areas which would benefit development. Pakistan was one of the ten countries identified for this special effort.

This team will try to determine the extent to which Pakistan's private sector is active and interested in expanding and/or diversifying investments in job-creating areas; the political climate and policy, procedural and financial market infrastructure which exists for expanded domestic and foreign private investment; and key opportunities, ideas or proposals for developmentally-oriented private investments for which the agency in some ways might be able to facilitate investments.

CSO: 4220/640

COLLEGE TEACHERS' STRIKE ENTERS SECOND WEEK

Karachi DAWN in English 13 May 82 p 1

[Text]

The strike by Government-cadre teachers of Government and nationalised colleges in the city entered the second week on Wednesday.

A four-member delegation of Sind Lecturers Association and the Professors Association of Sind is leaving for Bahawalpur on Friday to attend a meeting of the Joint Action Committee of All-Pakistan Lecturers/Professors Associations and Majlis-i-Amal, Asatiza-i-Punjab. The meeting to be held on May 15 will review the situation and consider President's appeal to the teachers to call off their strike. Prof Anwarul Haq Hashmi, President of Professors Association of Sind told "Dawn".

Meanwhile, the President of Professors' Association of Sind, Karachi Region, Prof. Amir Ahmed Khan, and the President of Sind Lecturers Association, Karachi Region, Mr Manzoor Husain Chishti, in a joint statement, welcomed the assurance of President Zia-ul-Haq that "the teachers' problems would be solved soon".

A delegation of Sind Lecturers Association and Professors Association of Sind will meet the Sind Governor and the Provincial Education Minister on Thursday to discuss various issues.

PUNJAB TEACHERS

PPI adds: The teachers of schools and colleges throughout Punjab observed boycott of their classes for the eighth day on Wednesday, says a Press release of the Majlis-i-Amal, Asatiza-i-Punjab.

Meanwhile, President of Punjab Lecturers Association, Rana Asghar Ali, and President of the Professors Associations Haji Mahmud Akhtar, in a joint statement, regretted that inspite of the assurance by the Government in January last year that the teachers' problems would be solved within six weeks, nothing had been done so far in that regard.

They called upon the President to intervene personally in the matter and solve the problems of the teachers to resolve the educational crisis.

CSO: 4220/640

YAQUB ON PAKISTAN-SAUDI COOPERATION

Karachi DAWN in English 13 May 82 p 1

[Text]

JEDDAH, May 12: Pakistan's Foreign Minister, Sahabzada Yaqub Khan on Wednesday lauded the Saudi-Pakistan co-operation in various fields as a source of pride and strength to Pakistan.

"The closeness of fraternal relations between Pakistan and Saudi Arabia has been reflected in the warm welcome and generous hospitality extended to me during my short visit to the Kingdom", He said in a statement on his departure from Saudi Arabia on Wednesday.

The Pakistani Minister, who arrived in Saudi Arabia on Sunday evening, held a wide-ranging exchange of views on bilateral issues and mutual co-operation with his Saudi counterpart, Prince Saud al-Faisal.

He said the primary objective of his discussions with Prince Saud was to co-ordinate their views and policies in the face of many threats confronting the Islamic World and potential explosive situation in the area, arising mainly from the callous and aggressive Israeli policies and the continued Iraq-Iran conflict, which caused concern to the entire Islamic Ummah.

He said: "We agreed that it was important for the two countries to remain in close touch and maintain and even raise the level of mutually beneficial bilateral co-operation. We would, thus, be able to help each other attain our common objectives of directing our destinies for the welfare of our people without external interference."

During his audience with King Khaled, he said, he conveyed the warm greetings and good wishes of President Zia-ul-Haq and also availed the opportunity to brief His Majesty on "our views regarding various issues of mutual interest."

ISSUE OF PRESS CENSORSHIP CANDIDLY RAISED BEFORE ZIA

Lahore CHATAN in Urdu 12 Apr 82 pp 6-7

[Excerpt from "News and Views" by Mohammad Saeed Azhar]

[Text] Journalism is encountering many problems, being crushed almost to death in the vice of circumstances. Its greatest problems are connected with the authorities and the country's situation, but one problem that the press faces has been created by people of influence in their own ranks, namely, the problem of the 3-day, weekly, fortnightly and monthly journals.

The large dailies distributed on a nationwide scale are squeezing the life out of these publications. The dailies ignore professional ethics and publish special editions dealing with every field of activity. They publish separately a "complete magazine" on Friday holidays, so there is nothing left for the journals to write about. The reader can find every facet of life covered in the newspapers, which have invaded territories always considered to be the province of the purely practical or the literary. It is as though the newspapers, if they could possibly get away with it, would publish textbooks as well in their special editions to control that business as well. The plethora of colored photographs and the unrestrained use of paper is another story that culminates in the unjustified use of this poor country's foreign exchange. Some time back I came across a news item regarding the owners and editors of large Japanese newspapers who had decided in a meeting, completely on their own and without any government or social pressure, to strengthen the Japanese press on all levels by voluntarily cutting the budgets and pages of newspapers. Obviously, it would be too much to expect that the owners of Pakistan's large newspapers, except for one or two, would pay attention to the situation of the journals and take similar steps based on professional ethics. They could not care less if all journals went out of business; in fact, their present campaign to increase circulation seems aimed at such a goal. Thus, I consider it more suitable to approach the present head of government, General Zia, directly and ask him to direct the central Ministry of Information and other officials concerned to prepare a law decreasing the number of pages of daily newspapers and their special editions and to make sure that the law does not have any loopholes, otherwise it would be like killing the half-dead. Eventually, the journals will all close down; many are almost out of business now. A large number of families depend on their daily bread on these journals, and I am sure that General Zia is cognizant of this fact. I feel confident that he will answer my call.

Speaking of newspapers and journals, it would be a sign of ignorance not to mention Majeed Nizami's welcoming speech, which has been this week's much-discussed topic in Pakistani press circles. He delivered this speech in the meeting of the All Pakistan Newspaper Society, which General Zia attended as a special guest. Majeed Nizami, it should be remembered, was reelected president of the society. Not many people know that Majeed Nizami is in the habit of personally bringing bitter truths to the attention of the head of government with great frankness. Nizami's several such statements are on record when, in the presence of the head of the government, he spoke out on national problems without cowardice or resort to the excuse of not wishing to create dissension, and said things that in those days were tantamount to bearding a lion in his own den. It is also not well known that Nizami leads a clean personal life and is in the habit of helping the needy.

(The writer himself is beholden to him and is one of his well-wishers). In this welcoming speech, Majeed Nizami informed General Zia of certain matters that only a person concerned with the truth would care to speak about. He told General Zia:

"Those who wish to set up right ideals for the people, country and politicians should first take care of their own. Freedom of the press is necessary for the promotion and propagation of the press. Here, press laws dating back to the time of British rule are still in effect; and we also have our own press and publications ordinance. You were not satisfied with pre-censorship, so now we are passing through the period of "silent or undeclared" censorship. You said in your recent press conference in Lahore that newspapers should write the truth and stay clean. Believe me, every conscientious newspaper writer or owner wants to write the truth and keep his newspaper unsullied. The question is, what will be the result of the kind of censorship that you wish to impose? Only the kind of newspapers that you are complaining about will thrive under censorship. Our country is an Islamic and developing one, surrounded not only by enemies but by problems as well. In spite of this, the people search for the truth. They are realists and want to know the facts; they want to know what is happening around them and inside the country.

"In a country like Pakistan, where democratic institutions are unable to thrive, the press has a special role to play. It is entrusted by God with the responsibility of conveying to the administration the grievances of the voiceless people and of seeing to it that these grievances are remedied. It is the responsibility of the press to become the voice of the people and bring the deprivations of the people to the attention of the rulers and rouse them to the realization that they are not the rulers but the servants of the people. Clearly, such a role is possible only when there is freedom. No one respects a shackled press. What would be its value and what role could it play?"

9863

CSO: 4203/116

BUREAUCRACY PROTECTS PERPETUATION OF ENGLISH AT EXPENSE OF URDU

Lahore CHATAN in Urdu 12 Apr 82 p 19

[Article: "To Establish a National Language: It Is Necessary Now To Give a Challenging Tug to the Coattails of the Authorities. What Is the Government's Logical Excuse for Ignoring This Matter?"]

[Text] Of the many wounds of deprivation on the body of Pakistan, the most painful is that after 34 years, the country still has not succeeded in adopting a national language, and this despite the fact that the country's founder, Quaide Azam, had declared from the very beginning that Urdu would be the national language. There could be no better argument for Urdu's suitability for becoming the national language than the fact that Quaide Azam himself, who had an excellent command of English, was not very knowledgeable in Urdu. But he knew that Pakistan could not progress without establishing for itself a national identity that, in turn, required as its first condition a national language.

It was our misfortune that he did not live long enough, for if he had been spared for a few years more, all signs of English would have been eradicated today throughout the country. The people who took over the reins of government after his death, though ostensibly in charge of affairs, were in reality powerless before the bureaucracy. The same bureaucracy rules Pakistan today, and as always, it is the greatest obstacle to the adoption of a national language. We predict that as long as the spell of bureaucracy is not broken, the country will not have a national language. The reason is that if today Urdu were made the official language for practical purposes, the high officials bred in the lap of English would find their ignorance unmasked, and perhaps they themselves would be reduced to seeking help from their Urdu-educated office help to express their views on their files. It is this realization of inadequacy that protects English like an iron wall and prevents this scattered remnant of the British from being ejected.

What is ridiculous is that our constitution says plainly that Urdu is the national language of Pakistan. But the plot hatched against us was to allow 10 to 15 years for the gradual establishment of the language, when in fact even our governments seldom last that long. It is because of these devious tactics that our national language, Urdu, has not achieved its deserved status; and because of this lack of a national language, we have been deprived to a large extent of our national identity.

At first, the present government demonstrated activity and sincerity in the matter. The president of Pakistan, General Zia, expressed the wish on several occasions that Urdu be adopted soon because broad national interests demanded it. The president has always demonstrated his attachment to Urdu on a practical level, usually by giving his speeches in Urdu. Some time back he established an organization for the more effective promotion of Urdu called Muqtadira Urdu [Urdu Authority], which long ago presented its recommendations to the government. But the weakness in our system is that all recommendations to the government first go to the bureaucratic geniuses who add their own positive or negative annotations before submitting them to the government. Muqtadira's recommendations must have suffered negative bureaucratic assaults, as a result of which, conditions do not appear favorable for the establishment of a national language. One of the leaders of the long-time movement for a national language, Dr Sayyed Abdullah, a few days ago acknowledged General Zia's love for Urdu but expressed doubt that either the members of the Advisory Council or anyone else could be expected to give Urdu its true status. The well-wishers of Urdu, who find they have been wasting time by trusting certain individuals, should leave these people to their own devices and instead come up with a different plan of action to serve Urdu. Hence, a resolution was passed at a conference stating forcefully that Pakistan was being made a reliable colony of the British and the English language and that the country's English-worshipping classes were using these methods to plan the restoration of British rule and policy. It was decided, therefore, that a committee of experts in jurisprudence be formed and a writ for the practical establishment of Urdu be presented to the Supreme Court. The resolution stated that the policy of keeping both English and Urdu as mediums of instruction was fatal for the people and the country. This dual approach constituted a dangerous plot against those who received education up to high school in Urdu, because these students encountered difficulties in obtaining admission to technical institutions and professional colleges. Thus, not only were their efforts wasted, but the doors of advancement were also closed to them.

To restore Urdu to its legitimate status, those who serve its cause will have to change their strategy. Requests and pleas have proved ineffective in moving those who cast obstructions in Urdu's way. It is time now to give a challenging tug to their coattails. Dr Sayyed Abdullah is an authority on national language, and his knowledge of the efforts involved in the establishment of a national language cannot be doubted. The facts he revealed are not only surprising but also regrettable. It is even more surprising that the president of Pakistan, who appears sincere in his support of a national language, remains ignorant of the facts mentioned above. If, on the other hand, he is aware of the facts, then what is his logical excuse for ignoring them?

9863

CSO: 4203/116

BRIEFS

MURDER PROBE DEMANDED--PESHAWAR, May 14--The Central Secretary General of the defunct NDP, Haji Ghulam Ahmed Bilour has demanded that the probe into the assassination of former Governor Arab Sikandar Khan Khalil should be entrusted to the High Court Chief Justice. Commenting on the police claim that it was not a political murder he said in his statement that his party had all along been suspicious about the way the investigation was conducted. He believed that since the late Arbab Sikandar had no sectarian or personnel dispute with any body, certain political elements were positively involved in his murder. The police, he alleged were protecting the real culprits and, therefore, in order to expose the conspiracy it was necessary to handover the inquiry to the Chief Justice of the High Court. [Murtaza Malik] [Islamabad THE MUSLIM in English 15 May 82 p 1]

TRAINING FOR FARM SCIENTISTS--ISLAMABAD, May 15--Pakistan Agricultural Research Council is planning to send 100 young scientists and researchers for training abroad to have a trained manpower in the country for better research work for agricultural development. This was disclosed by Dr. Amir Mohammad during the annual meeting of the Natural Technical Committee for Forestry, Range Management and Sericulture held here on Wednesday. He said the Council will also arrange training courses at the newly-developed training institute at National Agricultural Research Centre, where foreign experts and scientists would likely to be invited. The Chairman briefly touched upon the measures being taken by the Council for the career improvement of the scientists and researchers. He emphasised the role of forests range lands and water sheds in the economy of the country and assured full support of the Council in funding new projects aiming at development and application of technology to show and demonstrate the real impact of improvement and management. He asked the Committee members to critically examine and review the on-going projects and recommend objectives criteria for picking up research projects in a few major important areas. [Karachi DAWN in English 16 May 82 p 7]

CALL FOR RAILWAY REFERENDUM--SIALKOT, May 15--Pakistan Railway Employees Union would be compelled to stage direct action if their genuine demands were not met by the end of May 31. Addressing a Press conference, the Divisional Secretary, Karachi Division, Mr. Abdul Jabbar Qureshi and Organizing Secretary, Lahore Division, Hafiz Mushtaq Ahmed Kaukab said here on Wednesday that in spite of the fact that three months had passed, the Pakistan Railway Authorities had failed to honour their commitments to fix the date for second round

of referendum. They maintained that the P.R. Employees' Union had won the referendum held in October last year, but it could not get the 33 per cent votes essential for being declared the winners. We had been given assurance, he said, that referendum would be held within three months. They also demanded early announcement of Labour Policy. They also urged the government to check the price hike [Karachi DAWN in English 16 May 82 p 7]

YAQUB MEETS PRINCE SAUD--BAHRAIN, May 10: Pakistani Foreign Minister Shahabzada Yaqub Khan held talks in Saudi Arabia on Monday with the Saudi Foreign Minister Prince Saud al-Faisal, on bilateral relations and issues of mutual interest, the official Saudi Press Agency said. Mr Khan arrived from Morocco on Sunday night after attending a meeting of the Jerusalem Committee of the Islamic Conference Organisation. It is Mr Khan's first visit to the Kingdom since he was appointed Foreign Minister recently. Saudi Arabia is a major financial supporter of Pakistan and has provided employment to about 400,000 Pakistanis in the Kingdom. [Karachi DAWN in English 11 May 82 p 1]

BANGLADESH PROPOSES JOINT VENTURE--Bangladesh has proposed joint ventures with Pakistan for manufacturing garments to be exported by it to USA and Europe under quota arrangements, PPI learnt yesterday. The offer was made to a public sector corporation team which visited Bangladesh from January 29 to February 6 this year. It is understood that the Chairman of Bangladesh Trading Corporation told this team that Banglaesh was not able to utilise fully its quotas of garments to Europe and USA due to lack of expertise and technical know. The Bangladesh Trading Corporation felt that some arrangement, under the umbrella of the two state trading corporations, could be possible for manufacture of garments in the two countries through a joint venture located in Bangladesh for production of garments out of textiles imported from Pakistan which can be exported to Europe and USA against Bangladesh quota. During the visit of Pakistan delegation, the Bangladesh Commerce Minister had felt that there was need for frequent exchange of delegations from trade organisations of the two countries, specially visits to Banglaesh by Pakistani exporters to Bangladesh for exploring possibilities for expansion of exports from Pakistan and Bangladesh. Pakistani delegation was also informed that there was good market for Pakistan's light engineering goods, marble chips, electric fans and pharmaceuticals in Bangladesh. [Karachi BUSINESS RECORDER in English 11 May 82 p 12]

CULTURAL POLICY BEING PREPARED--ISLAMABAD, May 11: The Ministry of Culture is understood to have asked various cultural bodies in the country to submit their recommendations for inclusion in Pakistan's cultural policy, which is being prepared by the Ministry concerned. The cultural bodies have also been directed by the Ministry to go through the cultural policy of India before submitting their recommendations, it is learnt. Extracts from the cultural policy of some Asian countries and the UNESCO's various documents on culture have also been given to experts. The Government bodies which have been

associated with the job include the National Film Development Corporation (NAFDEC), Pakistan National Council of the Arts (PNCA), National Institute of Folk Heritage, Department of Archaeology in Karachi and Department of Archives in Islamabad. [Karachi DAWN in English 12 May 82 p 12]

MARKETING OF SUGARCANE--ISLAMABAD, May 12--Federal Agricultural Prices Commission will conduct a study to find out the deficiencies and inefficiencies in the marketing channel of sugarcane to see if the price support programme of the Government is functioning satisfactorily it was disclosed by a spokesman of the Federal Agricultural Prices Commission (APCOM) here on Wednesday. The study is being conducted with a view to removing the impediments, to the benefit of growers, mill-owners and the consumers, particularly, in view of Sugarcane Act under which a farmer cannot use his cane for converting it into "gur" or "shakkar" but has to sell the crop only to the sugarmills in the zone area. This situation has given rise to acute problems of marketing. For the purpose of the study, size of holding and area under sugarcane and the tenurial system have been taken into consideration so that required information is got collected under different situation. The study is being conducted by various national and provincial agricultural institutions on behalf of the Agricultural Prices Commission. Recommendations based on the findings of this study would be sent to the Government for approval so that support price programme for sugarcane could be made more effective and purposeful. It may be noted that the Commission's earlier recommendations regarding the working of wheat procurement programme during the year 1981 have been accepted by the Government and the provincial Governments have been asked to implement those recommendations. [Karachi DAWN in English 13 May 82 p 4]

HAJ PILGRIMS FROM JULY 30--The departure of 50,000 intending pilgrims will start with the sailing of first pilgrim ship from Karachi to Jeddah on July 30 and the first pilgrim flight on August 20, the Minister of State and Adviser to the President on Haj Affairs, Maulana Zakaria Kamdar, told at a Press conference in Karachi on Wednesday. He said the last ship will sail on September 9 completing the sailing of 11,000 intending pilgrims by sea, while the last flight will leave on Sept 16 completing the air travel to Jeddah by 39,000 pilgrims. He said the return journey will start with the first pilgrim ships sailing from Jeddah to Karachi on Oct. 1 and the last ship on Nov 22, while the first flight will depart from Jeddah on Oct 1, completing the Hajis' return journey within one month. Maulana Zakaria Kamdar said that there will not be more than 100 flights, while each of the three pilgrim ships will undertake 3 sailings. He said this year a total of 93,000 applications were received, as against the figure of 78,000 last year. He said that province-wise data about the pilgrims was being processed through the computer. He said the Government was trying to start Pindi-Jeddah Haj flights. He said that it was, for the time not possible to start flights from other stations as it requires heavy administrative arrangements like setting up of Haji camp, banks, customs and ticketing, etc, facilities. To check incidents of fires, the Saudi Government was considering the use of chemical tents, he said. [Karachi DAWN in English 13 May 82 p 4]

TEAM FOR HAJ ARRANGEMENTS--ISLAMABAD, May 12: Mr I. A. Imtiaz, Federal Secretary, Religious Affairs, has said a delegation headed by him will visit Saudi

Arabia from May 20 to make necessary arrangements for the accommodation, transport and medical facilities for Haj pilgrims. The delegation will also hold talks with Saudi authorities concerning Pakistani pilgrims. The delegation will visit Jeddah, Mecca, Medina and Riyadh. He said the interviews for the selection of Khuddam-ul-Hujaj would be held in Karachi tomorrow morning. The selection committee is headed by the Acting Minister for Religious Affairs, Maj-Gen. (retd) Jamaldar, while Mr I. A. Imtiaz Adviser on Haj and Mr Zakaria Kamdar are its members. [Karachi DAWN in English 13 May 82 p 4]

TUFAIL ON PARTY NUMBER--LAHORE, May 12: The Amir of defunct Jamaat-i-Islami, Pakistan, Mian Tufail Mohammad, said here today that it was for the people to determine how many political parties should be allowed to function in the country. Addressing a training workshop, he pointed out that if elections were held here, the people could have performed this duty successfully. He did not agree with the view that a large number of political parties created a hurdle in the way of holding elections. He said the Government and the people could stand on solid foundations only if general elections were held at an early date. Many political parties would be automatically eliminated in the process, he added. While he disagreed to the proposal that army should be given the right to govern the country, Mian Tufail said President Gen. Mohammad Zia-ul-Haq and his comrades should make efforts to provide political stability to the country by gaining confidence of the people through elections. He said restoration of democracy, according to tenets of Islam, was possible provided power was transferred to elected representatives "after general elections were held under the system of separate electorate and proportional representation." [Karachi DAWN in English 13 May 82 p 4]

BANK OFFICE IN BEIJING--BEIJING, May 12: The National Bank of Pakistan has become the first Third World Bank to open a representative office here, the New China News Agency said on Wednesday. Bank Chairman Mohammad Nawaz Khan told a reception that the Bank, which opened its office on Tuesday, was developing and strengthening economic relations between the two countries [Karachi DAWN in English 13 May 82 p 8]

KHALIL'S MURDER NOT 'POLITICAL'--PESHAWAR, May 12: The AIG, Police, Crimes branch, NWFP, Mr Sher Taj Khan, ahs said the assassination of late Arbab Sikander Khan Khalil, was not politically motivated. Addressing a Press conference at Police Club here on Wednesday he told a questioner that after a thorough inquiry and interrogation we have reached the conclusion that there was no political motive behind the murder of Arbab Sikandar. To a question he replied that the case would be referred to the court in a few days after completion of legal scrutiny. [Karachi DAWN in English 13 May 82 p 12]

CSO: 4220/639

VIRATA SPEAKS ON ECONOMY

Manila BULLETIN TODAY in English 12, 13, 14 May 82

[Excerpts from the speech of Prime Minister Virata before the Philippine Jaycees, date and place not given]

[12 May 82 p 7]

[Text] I am aware that at the heart of your convention here is the desire to "Go to the Basics"--to reorient yourselves along the original intent of your institution and to review the basic principles, goals and aspirations upon which the notion of Jayceeism was conceived. I appreciate this theme because I am fundamentalist myself.

An organization needs to look back at its goals every so often, lest, amid the ensuing complexity of implementing these goals, it diverts from them and loses its reason for being. The realization of lofty ideals rests upon the clarity of purpose and the single-minded determination to stand by that which one has committed himself to do as a matter of personal and social responsibility. As you know the Philippine constitution was also reviewed in 1970 since we could not move the American system work in the Philippines.

In government, our commitment to develop has been addressed to the attainment of three basic objectives, and our determination to stand, by them brought about the bold and far-reaching reforms that we have witnessed in the recent past.

First, we are concerned with the attainment of economic stability.

Second, with the equitable distribution of the fruits of economic development and

Third, with the achievement of total human development for every Filipino.

The pursuit of economic growth through employment and livelihood mobilization will bring about positive and lasting economic and social gains to all segments of the population. Consequently, human development will be enhanced through programs that directly attack poverty and conceived to attain rapid improvement in workers' welfare and productivity. In essence, therefore, our

development program will be implemented to increase people's participation in productive and gainful activities.

Several problems confront the economy. These also serve as the imperative that underpins the pressing need for increased productivity, livelihood mobilization and self-reliance.

--The country's population continues to grow at rate of 2.4 per cent despite the progress of family planning programs.

--Rural population increases at a even faster rate.

--By 1987, present resources and technology must be able to support some 56.8 per cent million people, 75 million in the year 2000, and 115 million in the year 2020. The population according to estimates will stabilize at the level. This is the population level of Japan now so you can imagine the density.

--Agricultural yield has to be maximized to feed the growing population. Food remains to be the first priority. There is no gov't that can remain strong if there is food inadequacy.

--At present, there are 600,000 to 700,000 Filipinos entering the work force annually and this will increase yet.

--Productive employment and better income-generating activities must be expanded in order to bring down the present under-employment rate which is still high although our open employment is relatively low.

The generation of income and employment opportunities become the most immediate concerns which development efforts must ensure in order to improve the economic welfare of our people. This is particularly crucial for the least developed areas and the low income groups in the country which require sources of livelihood in order to stimulate the growth momentum and promote self-reliance.

The need for more livelihood projects becomes more pronounced with the yearly growth of the labor force. The burden of generating additional job opportunities is increasing and is likely to fall on the non-agricultural sector as the limits of agricultural land expansion in most regions are nearly reached. Cebu is a good example for this.

In the past, we were able to successfully transform ourselves from a grain-deficit country to a surplus exporter of rice. Our determined will to be self-sufficient in food spared us from the food problem that plagued many countries of the Third World. Above all, the sustained government assistance to food production improved the lot of the common farmer by increasing his average yield per hectare from 30 cavans per hectare in 1975 to 78 per hectares in 1981.

In the future, the full exploitation of agricultural potentials will be undertaken by sustaining self-sufficiency in other crops, like corn fish, poultry,

and other livestock. We will maintain remunerative pricing in agriculture, and we will develop a more efficient processing, marketing and distribution system.

While agriculture has remained a strong sector, the share of industry in the total economic activity has become higher, accounting for 35 per cent in 1981, compared to agriculture's share of 26 per cent in the same year.

This change is a very positive sign that we are gradually improving our balance between agriculture and industry and services.

[13 May 82 p 7]

[Text] We are seriously considering the restructuring of sectoral programs so we can build a strong industrial base that is both efficient, world competitive and compatible to our country's resource endowments. The development of the various sectors will not only focus on the upgrading of our technological and manpower capabilities, but will also step up strategies for energy resources.

We are also restating our commitment to assist cottage, small- and medium-scale industries, particularly the livelihood projects covered by the kilusang kabuhayan at kaunlaran program. We stand by this commitment because we believe that these are the venues that will best guarantee the participation of people in the rural areas in our industrialization efforts. We will also pursue an organized export promotion program and institute reforms in export procedures to make our exports more competitive in the international market. The Philippine International Trading Corp. (PITC), is going to spearhead the program and the Trade attaches will be part of this corporation.

We are actively pursuing the delivery of services that can answer the most elemental needs of the people. The expansion of the Luzon and Mindanao power grids, for example, will further intensify our rural electrification program which has already benefitted some eight million people and has given light to a million and a half homes in the rural areas.

In the next five years, a large proportion of national resources will still be addressed to social services such as public education, primary health, nutrition, housing, social security, and services from which the lower income groups get the most benefits.

We are anticipating a marked improvement in postal and telecommunications services with the completion of the rural telecommunications development project and the mail distribution improvement program.

[14 May 82 p 7]

[Text] We are also concerned in delivering the necessary social services to uplift the people's welfare. In education, for example, improving the quality, distribution and development-orientedness of instruction will be emphasized. Primary health care will be pursued. Nutrition activity will focus

on severely affected children in the 0-6 age group and on pregnant women and lactating mothers. Adequate housing for the greatest number of families belonging to the low and middle-income levels will continue to be provided. Other social services will be geared toward individual welfare and making every Filipino an effective member of the labor force.

Though the national council on integrated area development (NACIAD), we will continue to pursue the integrated area development program to ensure the systematic and effective delivery of development inputs and services into the depressed areas of the country. Millions of people will be benefitted through the ongoing said projects in the Mindoro provinces, the Bicol River Basin Cagayan, the three Samar provinces, Zamboanga del Sur, and Palawan; in the provinces covered by the Philippine rural infrastructure project namely, Bohol, Kalinga-Apayao, Capiz, Abra, Aklan; and in the land settlement projects in Agusan del Sur, Bukidnon and Capiz, several others have been identified in the priority list for IAD planning for 1983-1987.

As the centerpiece of our development program, the kilusang kabuhayan at kaunlaran, the national livelihood program, was established as a national priority program by executive order no. 715. It aims to spur economic and social development by transforming towns and cities into self-reliant productive units through the establishment of livelihood projects to be owned and managed by the community residents themselves. The KKK relies primarily on private sector initiative, with government providing the support services.

Emphasis will be given to projects that increase food production, develop alternative sources of energy, and disperse industries to the countryside. This is in consonance with our general and sectoral development objectives. There are seven program prototypes to be developed according to the country's four kinds of land settlements. These are: agro-forestry, agro-livestock, aqua-marine, waste utilization, cottage and light industries, shelter and shelter components, and services.

I am very pleased to know that the Philippine Jaycees is formally launching its support for the KKK program. The jaycees can contribute so much in the vital area of delivering technical assistance and financial flows to community enterprises. The management and organization expertise of the Jaycees can help ensure the realization of feasible and viable livelihood activities. The Philippine Jaycees Entrepreneurship and Livelihood Foundation and its fifteen trustees can create a livelihood mobilization program among its 350 chapters to harness the inert capabilities of the local communities toward self-reliance in planning and implementing their respective enterprises.

CSO: 4220/614

REORGANIZATION OF MINISTRY OF FOREIGN AFFAIRS

Manila BULLETIN TODAY in English 15 May 82 p 40

[Text]

Ministry of Foreign Affairs officials were reported yesterday to have finalized a reorganizational plan that would departmentalize its offices according to geographical considerations.

An official MFA source said the plan would be submitted to President Marcos for his approval probably in time for the MFA Day rites on June 23.

Previously, MFA officials needing information on specific countries had to consult various offices for political, economic and other data, it was reported. This placed diplomats abroad in a quandary, it was added.

Under the proposed system, the source said, offices would be reorganized into Asian, American, European and Socialist, as well as Middle Eastern and African divisions.

The Association of Southeast Asian Nations and the United Nations offices would become independent units, it

was said.

The new system would boost Philippine international relations with all countries, the source said. If President Marcos needed immediate information on a country, the revamped MFA could furnish him the data in a matter of minutes, it was claimed.

At present, the MFA reportedly had no such capability and even MFA officials have a tough time getting trustworthy information and analyses because of lack of experts, the Bulletin source said.

However, the MFA source said, traditional offices such as protocol, legal, consular and others would continue to function as they have been functioning.

Assistant ministers have worked on the reorganizational plan for three months, the source said, adding the plan also called for only two deputy ministers, not four as originally proposed.

ANTI-SUBVERSION GAINS REPORTED

Manila BULLETIN TODAY in English 9 May 82 pp 1, 9

[Article by Jose De Vera]

[Text]

The military has dealt the communist subversive movement crippling blows that are hastening its collapse, which unimpeachable government sources said, "could happen sooner than expected."

Documents made available to this writer showed that in 1981 alone, at least 15,000 communist sympathizers surrendered. They are now involved in community projects inspired by the government's Kilusang Kabuhayan at Kaunlaran (KKK) livelihood program.

Early this year, according to defense and military sources, authorities arrested 25 hard-core communist guerillas, including four top party leaders, in raids in Metro

Manila.

Earlier, the government security forces captured top leaders of the Communist Party of the Philippines' New People's Army in Davao, Eastern and Western Visayas, and in the Bicol area.

The latest top CPP personality taken into custody was an acknowledged strategist and organization man.

The arrest of the top Communist leaders, the documents said, destroyed a plan to mount a big offensive against the government.

The government's gains in its security campaign have been largely ignored by the foreign press which tended to sensationalize isolated gains made

CSO: 4220/642

NEW GEOTHERMAL FIELDS EXPLORED

Manila BULLETIN TODAY in English 10 May 82 p 28

[Text]

The energy ministry plans to drill more geothermal wells to bring to 311 the total number of wells this year in six geothermal fields.

The ministry said geothermal power generated all over the country now stands at 556 megawatts. This comes from geothermal plants of Tongonan, Leyte; Tiwi, Albay; Mak-Ban, Laguna and Palimpion, Southern Negros.

A new 55-hectare geothermal reserve in Manito, Sorsogon is being explored by the Philippine National Oil Co.-Energy Development Corp. (PNOC-EDC).

The area is expected

to generate a total of 110 megawatts of geothermal power within the next two years.

Francis Palafox, administrative officer of the Manito explorations, said in an interview that the exploration team has already drilled four wells since last year.

Three wells drilled at an average depth of 2,500 meters yield a total of 19-mw power while one well was found dry, Palafox said.

The cost of drilling is placed at five million pesos per well. Three more wells are scheduled to be drilled this year.

CSO: 4220/642

INCREASED INVESTMENTS IN CEBU

Manila BULLETIN TODAY in English 15 May 82 p 39

[Article by Romeo S. Movido]

[Text]

CEBU CITY—The Development Bank of the Philippines local branch is hiking its investment this year to P284.5 million to spur the progress of this city and several Cebu towns.

Manager Manuel Roa, Jr., vowed to launch an intensive lending campaign to encourage industrialists and local entrepreneurs to avail of the credit facilities being offered by the state-owned bank.

The target of the Cebu branch is to increase its investment on agriculture to P48.3 million; industrial, P56.8 million; real estate, P171.1 million; and special projects, P8.3 million.

As of April 30 the bank has already attained a 90 per cent realization of its goal and serving some

12,090 borrowers which sought financing assistance from the DBP.

Manager Roa said the good performance shown by the branch is credited to the excellent work initiated by his predecessor, Vicente Arancillo, who was promoted to the regional office.

The DBP Cebu branch manager said his thrust now is to pour in more funds to small and medium scale industries including food production and processing which are now being developed in the area.

Assisting Roa in the intensified lending operation are his two assistant managers, Pedro Garcia and Romulo Fernandez, whose efficient record in the bank qualify them to be branch managers.

The DBP branch is being strengthened to make it into a "bank of the people" and convert into substance its "slogan as partner for progress," Roa declared.

Manager Marino Roxas, head of the DBP department for Visayas and Mindanao branches, said Cebu branch and other field offices are conducting a systematic lending drive in compliance to the policy of chairman Cesar Zalamea to promote progress in the countryside.

The department manager is exhorting all his field personnel to reduce the processing time of loan applications and extend courteous and prompt service to borrowers in order to bring the bank closer to the people.

FOREIGN INVESTMENTS APPROVED

Manila PHILIPPINES DAILY EXPRESS in English 10 May 82 p 16

[Article by Rosario A. Liquicia]

[Text]

FOREIGN investments approved by the Board of Investments (BOI) during the first three months of the year totalled P404.9 million or a 64-percent more than the level registered in the same period last year.

Their share to the total investment of P925.89 million approved during the quarter increased from 28 percent last year to 44 percent. BOI statistics show that more than half or P230 million of the total foreign investments were poured into the manufacturing sector, specifically the production of basic industrial chemicals and of electrical and electronic products.

By nationality, the Americans continued to be the biggest single investors with P112.9 million or 28 percent of total foreign investments approved during the quarter.

West Germans followed closely with P110.9 million investments, the

bulk of which went into the P1.04-billion coco-chemical complex to be set up by a Filipino-German joint venture.

DUTCH investments came in third with P32.5 million while Japanese investments of P23 million in the first quarter occupied fourth slot down from the traditional second post, the BOI said.

Among the foreign investors which made significant contributions during the first quarter are the Spanish also with P23 million, Chinese and Swiss.

Most of the foreign investors infused equity on a joint venture basis with local partners. During the three-month period, 166 projects were approved by the BOI.

But while foreign investments increased by 64 percent, the BOI said local investments dropped by 16 percent to P521 million from P624.5 million.

MUSLIM COURT SEMINAR IN MINDANAO

Manila BULLETIN TODAY in English 11 May 82 p 5

[Text]

Shariah seminars are being simultaneously conducted by the office of the Ministry of Muslim Affairs (MMA) in coordination with the Supreme Court and the Ministry of Justice.

The seminars are held at the Western Mindanao State University in Zamboanga city, Cotabato City Pilot School in Cotabato city, and at the Mindanao State University in Marawi city.

MMA has earmarked P510,000 for the seminars.

It was learned that additional ulamas and Muslim lawyers have been allowed to attend the lectures as obser-

vers, aside from the original 40 trainees per training center.

In Zamboanga city, 12 observers were admitted, while the Marawi and Cotabato city training centers admitted 20 and 27 observers.

As part of the course, the participants are required to translate the code of the Muslim Personal Laws (P.D. 1083) into Tausug, Maguindanao, and Maranao dialects.

Official translations of the code in the dialects will be formulated and used in two proposed information drives to inform the Muslims in Mindanao

the contents of the code.

Seminar lecturers were divided into four teams and each team was assigned a topic. The teams' topics are "Introduction to Islamic Jurisprudence" and "Adat and Marriage"; team B, "Paternity, Filiation, and Parental Authority"; and Team C "Succession, Wills, Adjudication and Settlement of Estate" and "Adjudication and Settlement of Disputes and Rendition of Legal Opinion;" Team D, on "Scope of Application of Code and Procedure in Shariah Administration." (Roy C. Sinfuego)

CSO: 4220/614

EXPORTS TO AUSTRIA RISE

Manila BULLETIN TODAY in English 14 May 82 p 25

[Text] Friedrich Kuen, Austrian trade commissioner, noted that the Philippines' exports of electric machinery, apparatus, appliances and semi-conductors to Austria have been increasing by an average of 140 per cent during the last three years.

Kuen said that Austrian firms have found Philippine-manufactured semi-conductors, machinery and transport equipment not only comparatively cheap but also of high quality.

According to him, the Philippines exported electric machinery, apparatus and equipment worth 21.205 million Austrian schillings in 1979.

The value of such exports leaped by 250 per cent to 74.038 million schillings in 1980. This further went up to 96.989 million schillings or 360 per cent in 1981.

Kuen also observed that Philippine exporters also increased the value of their exports of clothing, footwear, professional scientific instruments, photographic and optical goods, watches and clocks during the last three years.

The value of such exports was only 39.213 million schillings in 1979. This increased to 57.54 million schillings in 1980 and 68.27 million schillings in 1981.

Philippine exports of furniture, travel goods, handbags and similar articles also went up in value to 74.038 million schillings in 1980 and 96.48 million schillings in 1981.

Other Philippine exports which made good in 1981 in the Austrian market included cork and wood (64.773 million schillings), metalliferous ores and metal scrap (14.606 million schillings), vegetable oils (48.359 million schillings), and nickel (27.017 million schillings).

The balance of trade between the two countries was in favor of the Philippines in 1981.

PHILIPPINES

COPPER PRODUCTION UP, VALUE DOWN

Manila BULLETIN TODAY in English 14 May 82 p 25

[Text] Production of copper totaled 74:980 metric tons valued at ₱930.20 million pesos during the first three months of the year, according to the bureau of mines and geo-sciences.

The first quarter volume recorded a 3.28 per cent increase while the value dropped slightly by 1.44 per cent compared to the corresponding period last year.

The mines bureau said the increase in volume was due mainly to the high-grade ores mined and the slight drop in value was attributed to the deterioration of metal prices in the world market. Copper commanded a price of only about 69 U.S. cents per pound.

Although the complete gold production figures are not yet available, the bureau said the early part of 1982 saw also the deterioration of the gold market with prices ranging from 331 to 400 U.S. dollars per ounce compared to the 461 to 599 U.S. dollars per ounce levels in the early part of 1981.

Silver followed a similar trend as those of copper and gold. Average prices for the three-month period stood at 7.88 U.S. dollars per ounce as against the 13.43 U.S. dollars per ounce in the same period last year.

CSO: 4220/614

PALAWAN OIL FINDS MARGINAL

Manila BULLETIN TODAY in English 14 May 82 p 28

[Text]

West German geophysicists said oil exploration activity in the Philippines has been conducted only in marginal areas and need to be carried out more intensively in offshore areas in West and South Palawan.

Dr. Karl Hinz, director and professor at the Federal Institute of Geoscience and Natural Science in West Germany, said that "more efforts need to be exerted" in the exploration of oil in the Philippines.

Hinz, along with other West German geoscientists, are in Manila to undertake with the bureau of mines here tectonic surveys that would help serve as bases for future natural resources exploration.

Oil exploration is relatively more inexpensive, compared to offshore mining in deeper water areas

which are more complicated, costly and need highly technical personnel, he said.

The German scientists, who undertake the researches on board the West German research vessel, the "F.S. Sonne," carried out last year a geophysical reconnaissance survey of the then unsurveyed areas of the dangerous grounds west of Palawan and Reed Bank off the same province.

Their findings reveal that northern Palawan, the Reed Bank and the Dangerous Grounds (called by British navigators who found the reefs and shoals there as navigational hazards) used to be adjacent to the China mainland 35 million years ago.

In a gradual movement at a speed of two to three centimeters per year, the central and southern part of

Palawan moved away from the China mainland towards the Philippine archipelago, resulting in "subduction."

Hinz said subduction is the pressing of the earth's crust by such disturbances as land mass movement, causing massive folds in the earth and giving rise to new land forms, as mountains or allow the formation of seas.

As a result when the Palawan land mass stopped its movement 10 million years ago, the South China Sea was formed.

Because of the proximity of west and central Palawan then to China, rocks and earth components of these areas are very similar.

"Based on this, because Hainan Island in South China has been found to contain oil, it is thus almost sure that these areas in Palawan also contain oil," Hinz said.

PHILIPPINES CAUTIONED ON FOREIGN BORROWING

Manila BULLETIN TODAY in English 12 May 82 p 11

[Text]

The International Monetary Fund, expressing concern over the sharp rise in the country's debt service ratio last year, has urged the Philippine government to exercise caution in external borrowing as part of the overall IMF recommendation to contain the widening deficits in both the current accounts and in the balance of payments.

Earlier, the IMF called for a substantial reduction in the current and BOP deficits because of limitation imposed by the country's reserve position.

In its assessment of the Philippine debt service outlook for the

period 1982-1987, the IMF pointed out that debt service ratio is likely to rise sharply again in 1982 and will continue at high levels over the medium-term future.

It cited the policy adopted by the monetary board to set an external borrowing ceiling this year which was primarily aimed at maintaining the statutory debt service ratio below 20 per cent at least through 1984.

Under this program, total approval for external loans for over one-year maturity would be limited to \$2.4 billion.

Out of this total, at least \$1.0 billion would

be earmarked for loans with maturities of over 12 years.

The ceiling of \$1.4 billion for one- to 12-year loans is not only much lower than the corresponding ceilings for 1981, but also lower than actual approvals during the year.

The IMF said that "restrained demand management" was essential for attaining both balance-of-payments and inflation objectives.

It stressed the need for tighter fiscal policy as part of the current account and balance-of-payments objectives.

However, the IMF was still worried about the country's debt service position in spite of

the foreign loan ceilings already adopted by the monetary authorities.

It reminded the authorities that foreign loans already contracted provide a large pipeline that over the medium-term would permit growing disbursements and possibly increasing current deficits, unless the authorities "ambitious investment programs are modified or proportionately phased."

The current account deficit widened in 1981 to 6.2 per cent of GNP from 5.8 per cent of GNP in 1980, mainly on account of a 12 per cent deterioration in the terms of trade.

CSO: 4220/614

INCREASING INTERCROPPING ON COCONUT FARMS

Manila BULLETIN TODAY in English 13 May 82 p 18

[Text]

The intercropping of coconut farmlands with other cash crops, a program being encouraged by the government to provide higher income for coconut farmers, is being widely implemented in Leyte and Samar provinces.

The Eastern Visayas regional office of the Philippine Coconut authority reported recently that the campaign to promote intercropping has been intensified in the five provinces of Leyte, Southern Leyte, Samar, Eastern and Northern Samar.

The report indicated that there are now about 39,000 coconut farmers there involved in intercropping with some 28,000 hectares of the region's 386,528 hectares of coconut

farm lands planted to crops like banana, cassava, corn, camote and others.

According to the report, estimated annual income per hectare from coconuts in this region on the average is only P1,500. But with the intercrops, coconut farmers can expect to earn more.

The report cited the case of a coconut farm intercropped with bananas. The total land area planted to bananas is 4,945.5 has. So that means an additional income of P4,954.500 yearly or P1,000 per hectare per year. Or if one has 13 hectares of lanzones intercrops, he could have an estimated average income of P26,000 annually or P2,000 per hectare per year.

In line with the cam-

paign, the report said, portions of the pilot hybrid coconut farm in each province has been set aside as nurseries for the intercrops.

At present, seedlings of crops found suitable to the region like cacao, coffee, lanzones and bananas are being cultivated in these nurseries.

In areas like Dagami and Tolosa in Leyte, there are coconut farmers who have taken the initiative of germinating their cargo seeds in their own farms, the PCA said.

The PCA also stated that this could only be the result of the intercropping program the government is promoting among farmers. These farmers are also participating in the coconut hybrid replanting program, the PCA added.

CSO: 4220/614

GREATER PHILIPPINE-BAHRAIN COOPERATION

Manila BULLETIN TODAY in English 12 May 82 p 28

[Text]

President Marcos discussed yesterday with Sheik Khaled Bin Abdullah Al Khalifa, minister for housing of Bahrain, the prospects for greater cooperation between the Philippines and Bahrain in the field of economic development.

The President and the First Lady, Imelda Romualdez Marcos, received the minister who called on them at Malacañang following his arrival here for a short visit.

Sheik Khaled expressed the hope of his government that more Filipino companies and workers would be attracted to go to Bahrain to help in its economic development.

Bahrain with its 360,000 people is currently embarked on a modernization program that requires skilled workers. Located along the Persian Gulf, it is fast becoming the financial center in the area.

Filipino workers now in Bahrain have done

well and are generally admired for their skill and industry. Minister Khaled told the President during their talks at Malacañang.

Talking with the First Lady, he noted the various achievements of Mrs. Marcos in her capacity as Metro Manila governor and minister of human settlements, citing the humanist philosophy of the government.

Mrs. Marcos briefed him on the many projects of the administration, especially its centerpiece program of promoting livelihood in every barangay.

Mrs. Marcos told Minister Khaled that the focus of government efforts is in the training and mobilization of its human resources here and abroad.

She noted that the Philippines has become the second biggest exporter of skilled labor in the Middle East with some 200,000 workers in Saudi Arabia and neighboring countries.

DRAFT LABOR CODE APPROVED

Manila BULLETIN TODAY in English 12 May 82 pp 1, 6

[Text]

The cabinet approved yesterday an amended draft of Bill No. 49 pertaining to picketing and anti-scab activities and endorsed it to the Batasan committee on labor and employment.

Presiding over the cabinet meeting held at the Executive House was Deputy Prime Minister Jose Roño in the absence of Prime Minister Cesar E. A. Virata who is attending a conference in Helsinki.

Labor Minister Blas F. Ople, who presented the amendments to the cabinet, enumerated the following changes to the measure:

1. Automatic certification of labor disputes in certain industries was eliminated.

2. Jurisdiction over issues of legality of strikes or lockouts is now vested in labor arbiters of the National Labor Relations Commission.

3. There will be freedom of egress and ingress during a picket and the double penalties in case workers or employers commit certain prohibited acts under Batas Pambansa Bilang 130 and CB 49 were eliminated.

The cabinet put off dis-

cussion on the 13th-month pay issue and the proposed legislation amending Presidential Decree 851, otherwise known as the 13th-month pay law, pending further consultation among the ministers.

Ople said that the most important changes effected in the new draft pertained to the so-called strike ban.

He said that Trade and Industry Minister Roberto Ongpin withdrew his proposal for automatic certification of labor disputes in certain industries in return for an assurance that export-oriented industries would be included in the illustrative lists of common areas where a labor dispute may rise to such a proportion as to adversely affect the national interest.

The cabinet took note of issues raised by labor and management representatives during the previous public hearing on the bill, such as the jurisdiction of labor arbiters over question of legality of strikes or lockouts.

Ople said the cabinet also dealt with issues concerning injunc-

tions, the role of the President or the Minister of Labor in the certification of cases affecting national interest and export-oriented industries, and the power of the President to declare an industry as affecting the national interest.

He said he hoped that the revised CB 49 will now command a consensus in the Batasan committee "without prejudice to the committee taking up some of these issues all over again in the light of their own perceived responsibilities."

In response to the claims of labor during the public hearing that acts considered punishable under the proposed measure are already covered by the Revised Penal Code, the cabinet decided to eliminate double penalties.

In the prosecution of such acts, punishment under one law shall be a bar to further prosecution under another law, it was provided.

The Batasan committee will take up the revised draft at a public hearing on May 13,

8 a.m., at the Asian Institute of Tourism in Diliman, Quezon city.

The President directed the Labor Ministry to encourage labor and management to conduct regular conferences to conclude "social compacts" and voluntary codes of ethics to govern their relationship to avoid unnecessary disputes between them in the interest of general welfare.

The President's directive was issued under Letter of Instructions 1235 with the view of exploring alternative approaches to labor relations at a time when there is an

apparent rash of strikes in several industries.

Labor Minister Blas Ople said that the "social compacts" and the codes of ethics would complement the collective bargaining agreements between labor and management, particularly those in industries which are vital to the national economy.

In accordance with the presidential directive, Ople said he would also encourage the formation of labor management councils at plant levels, similar to the work councils in many European countries.

CSO: 4220/614

PHILIPPINES

BRIEFS

ROLE OF FOREIGN BORROWINGS--President Marcos says that the 35 billion pesos foreign borrowings by the Central Bank are needed for the country's industrialization program. Talking to newsmen, the president said the loans are needed to prime up the economy and give the Filipinos control of their economy. Otherwise, he said, economic control might land in the hands of foreigners. At the same time the president said private companies are being benefitted by the present arrangements. He said if they were to borrow on their own, they would be charged interest rates from 21 to 25 percent. For government borrowings, the interest is only 9 to 10 percent. The president said the administration will soon review the government's all major industrial projects, to ensure a balanced agro-industrial program for the country. [Text] [HK240201 Manila Domestic Service in English 2300 GMT 23 May 82]

RURAL SUPPORT PRICES READJUSTED--President Marcos has increased the support price of pallai per kilo by 15 centavos. The increase of support price of pallai has been the clamor of farmers for the past several months. The new government support price of 1 kilo of pallai is 1 peso 70 centavos, from 1 peso 55 centavos. The president also announced the abolition of the fertilizer subsidy and the reduction in the price of fertilizers. These were among the incentives the president granted to the farmers to improve their lot. He announced this package of incentives at the celebration of farmers day held at the Philippine International Convention Center. In other measures the president issued a letter of instruction to the executive committee, the Ministry of Agriculture, the national food authority, the Central Bank of the Philippines on the procurement of the food authority [as heard] of 15 percent of the farmers' pallai production, their restructuring of government's pallai procurement program, and extension of credit line to the farmers. [Text] [HK220059 Manila Far East Broadcasting Company in English 2330 GMT 21 May 82]

ENERGY CONSERVATION STRESSED--Minister of State for Energy Emelio Arbelio says that the country's energy conservation activities should be pursued relentlessly. He also stressed that the Philippines must make sure it is prepared to face the threat of another world oil crisis. Arbelio made the comments before delegates to the energy conservation planning conference held at a downtown hotel recently. He added that the current stable oil situation could be easily drained once the expected economic recovery takes place next year. He said that the Philippines was fortunate as it continued to harness non-conventional energy sources like biomass, hydropower, geothermal power and others.

He noted the massive entry of non-oil energy supplies in 1981, saying that hydrogenerated energy rose by 8 percent and biogas went up by 2.9 percent. [Text] [HK170111 Manila Far East Broadcasting Company in English 2330 GMT 16 May 82]

GUN BATTLE BETWEEN TROOPS, NPA--A running gun battle between terrorists of the new people's army and government troops was reported going on for 1 week now in the common borders of Benguet, Ifugao and mountain provinces. The skirmishes were reported by commuters coming through the national highway to Baguio City. The constabulary has not reported any casualties so far, although a military helicopter was reported damaged by NPC ground fire while on a reconnaissance flight over Bugas in Benguet. The helicopter landed safely at its base in Camp (Dangua). The Benguet constabulary Commander Lt-Col (Rojelio Guana) is directing the military operations against the NPA. The NPA group was reported to be the same which stopped the logging operations of the Herald Lumber Company, when the firm refused to pay a monthly sum of 20,000 pesos. [Text] [HK170103 Manila Far East Broadcasting Company in English 2330 GMT 16 May 82]

MAYOR/OTHERS KILLED IN AMBUSH--A Samar town mayor, three policemen and three other people were killed in an ambush at the outskirts of (Santa Rita) in western Samar. "Three other persons including a police station commander were seriously wounded when their jeep was fired upon by armed men, believed to be members of the New People's Army." [Summary] [OW131241 Quezon City RPN Television Network in English 1100 GMT 13 May 82]

12 MNLF MEMBERS KILLED--"Twelve [as heard] MNLF [Moro National Liberation Front] members died in separate encounters with government troops in Lanao del Sur and Davao del Sur. Reports said a private security force, aided by army troopers, killed 11 MNLF members in a gun battle at the vicinity of (Imodaren Tagaluon) in Lanao del Sur. The private security force suffered one dead and three wounded while the army troopers sustained two wounded." The 20-man MNLF band ambushed the patrol team but retreated when faced with a heavy fire. In Davao del Sur, a Philippine Constabulary-police team killed four MNLF terrorists in a brief firefight. [Summary] [OW131247 Quezon City RPN Television Network in English 1100 GMT 13 May 82]

DISCONTENT AMONG YOUNG ARMY OFFICERS--The schemes and intrigues of some military officials, in their desire to perpetuate themselves in power and ensure extension of their retirement, are causing demoralization among the rank-and-file of the Armed Forces. The younger officers, who are badly affected by the repeated extensions, point out that they are in favor of the indefinite extensions of the services of those holding sensitive positions but against those who have bad records. As an example, they mention an extendee who has been linked to graft cases and even a known Makapili during the World War II days. [Manila BULLETIN TODAY in English 11 May 82 p 7]

LOAN FROM OPEC--The Philippines and the OPEC Fund for International Development signed recently in Vienna a \$20 million agreement, finance ministry sources said. The loan will be used to finance partially the Philippine government's rural electrification project co-financed by the Asian Development Bank (ADB) and the government of Norway. The project includes mini-hydropower development, which is part of the Philippines national electrification administration (NEA) mini-hydropower program. The project is primarily designed to assist the government of the Philippines in achieving nationwide electrification by the year 1987, rehabilitating the distribution systems and benefiting the rural poor. [Manila BULLETIN TODAY in English 12 May 82 p 10]

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LABOR MOVEMENT POTENTIAL ASSESSED

Bangkok KHAO CHATURAT in Thai 12 Apr 82 pp 11-16

[Interview with Raksa Mekhanand, a judge on the Central Labor Court: "The Employer's Hawk" date and place not given]

[Text] [Question] First of all, Mr Raksa, we'd like to have your views on the labor problems which exist today.

[Answer] In my opinion, the labor situation in 1982, which everyone else attributes to the depressed economy, has other causes too. I see the labor problems which have come up and will come up this year as partly caused by the labor leadership. I would analyze the situation this way:

First--the problem of employees who have agreed to terms and conditions and then want to abrogate them. Certainly, when employees know the economic situation and the position of the employer and still demand money, when the employer doesn't give it to them the employees will change their tack and ask for various minor benefits. If the Labor Act of 1975 is to have effect, conditions that have been agreed upon must be followed.... Speaking of new labor unions being created, Thailand now has two labor councils crowding one another, the Thai Council of Labor Organizations under Mr Phaisan Thawachayan- and and the Thai Labor Council under Mr Sanan Wongsuti. Certainly, each council at this point is trying to create as many new unions as possible, to gain support for itself. Therefore the present problem is that the leaders and advisors of the new unions do not have the necessary knowledge of labor matters. So when workers set up labor unions they don't know their own rights and duties. They know only their rights, which causes problems. We can see this clearly if we notice that the labor problems of 1981 for the most part came up in unions which had just been set up, which therefore naturally had problems. Work stoppages didn't happen in older industries or in unions which had been operating from the start. So we can see that everyone in the councils, trying to set up as many new unions as they can to be their supporters, have created a grave problem: that the workers know only their rights and not their duties.

Second--it happens from this cause: this year three or four labor relations committees in the tripartite system will have their terms expire. For example, in the Central Labor Court, 20 Conjoint Judges from the workers' and the

employers' sides in the first cohort will come to the end of their terms on 23 April. As for the Labor Relations Committee, it too has representatives of employers and workers, whose terms end 31 March. One more council also has very important representatives, i.e. the Labor Development Advisory Council, of which the members' terms will expire 30 April. Then there is the changeover at the Thai Council of Labor Organizations, which is holding elections for a new Committee. Certainly many of the labor leaders are former heads of unions. At present any number of them are committeemen or members. Once these gentlemen have jumped in to play in labor circles, they certainly can't pull themselves out, so they have to find ways to get back in (office) again. This might be by "suggestions" or incitements or, shall we say, making themselves heard, causing labor problems to come up in order to become known to all the leaders of the new labor unions and get themselves elected as representatives.... This point too causes labor problems to come up at present.

[Question] Does this mean that economic problems are not an important factor?

[Answer] They are only one factor, one that employers and workers mostly already know about and understand.

[Question] Do you think that the problem about labor leaders trying to boost themselves is an important reason for the new trend toward labor problems?

[Answer] Yes...yes... Because for the most part it's a point that people don't think of. But being in these circles myself, I've seen it in many places and caught it in many situations. The circumstances which come up show us clearly that the intent (of the leaders) was of this kind.

[Question] You see both labor councils as bent on causing labor problems. Yet it seems that some workers view Mr Sanan's council as standing on the side of the owners. What do you think about this?

[Answer] Well... My impression is rather that Mr Sanan's council is one which has many international contacts and receives a great deal of data. So... Mr Sanan's council has good knowledge and understanding of economic problems and conditions. This is an important point. And labor unions which are affiliated with Mr Sanan's council are mostly on the private side, while those with Mr Phaisan are mostly in government enterprises.

[Question] Does this imply that in the eyes of the employers Mr Sanan's council is more dangerous?

[Answer] The Sanan council...is a council that understands economics. They know that investing capital... If an investment is made, then certainly... The investor must think how much return he ought to get and how much he'll get if he takes the money and deposits it in a bank or invests it somewhere else, and how great the risks of the investment are. So...to put it simply...Mr Sanan's council believes that...killing a chicken and eating the whole thing isn't the same as eating eggs every day and never running out of them. They understand economic problems, understand administration, and understand what kind of problems the owners have.

[Question] But Mr Phaisan's council is divided into blocs. Do you think it can stick together?

[Answer] It is divided into many blocs. As far as I know, the most important bloc just now is the Rangsit Labor Federation, which might be called a Young Turks bloc--one with original ideas that sound a bit strange. It's counted the first bloc of private employees who entered Mr Phaisan's council. They're young people, so they have a little larger role.

[Question] In your opinion, will this proliferation of blocs make the labor situation worse?

[Answer] This is an interesting question...whether the blocs will agree that the ideas of the Council are the main thing or hold instead to their own ideas. When people are members of the council but also go and break into little blocs, then there are problems as to who controls and keeps track of the blocs, what business they do and what decisions come from them. This is true even with the Thai Federation of Iron and Metalworkers, of which Mr Pricha Sirimisapya is secretary, and which has more unions as its members than some councils have. Iron & Metal is a federation well worth watching and following, because it has more than 10,000 workers and not fewer than 100 enterprises.

[Question] Besides blocs based on occupation, what blocs do you see that are based on views of problems and labor struggles, and how much do those blocs have to do with labor problems?

[Answer] As for supporting labor leaders, certainly we must watch the elections in May for the Council (of Mr Phaisan--Ed) after Labor Day. We have to see whether this time Mr Sawad Lukdod's bloc can get as many seats as before, about 31 seats, which would leave Mr Phaisan 5 seats. Someone who we know supports Mr Phaisan's platform is Mr Ekachai Ekhangkamol, who will be able to bring some votes to the Phaisan bloc.

[Question] If in this new election Mr Sawad's bloc loses ground and other blocs gain strength in the leadership, what effects will there be on the labor situation?

[Answer] If Mr Ekachai's bloc gets more votes than Mr Sawad's, labor problems will certainly get worse. I'm speaking of the level of trust between myself and these labor leaders. Mr Sawad...he used to be a member of the Wages Committee. Of all the councilmen who came to consult (on the Wages Committee), Mr Sawad probably understood best what the labor situation was and what was the authority of the employers to hire. But certainly, if Mr Ekachai comes in, he hasn't been a committeeman and doesn't have knowledge of the principles of wage fluctuations. Certainly, the demands that will be made by labor in October...since the Thai Council of Labor Organizations has prepared to set up proper committees in June and July, there will start to be fighting. This can be anticipated.

[Question] This means that Mr Ekachai's bloc is more to be feared than Mr Sawad's.

[Answer] Yes... Looking at it this way, at this time, what is to be feared is...not having a true understanding of labor problems. This is a worrisome problem.

[Question] You say that most of the labor troubles that have come up lately are in new unions. Why is that?

[Answer] It is because most of the unions don't understand the problems and don't understand the businesses of their employers, and also don't understand what their own duties are. When they are newly established, certainly they will stand by their demands or do whatever... They go and make promises to their members or to workers in general. Mostly they promise the councils to stand by their demands. Then one or two of the leaders writes out a list of demands, without the members having a chance to know whether these demands are their own desires or are goals to aim for. It... It... Or perhaps they are taken from a pattern made by other people. This is a problem. When the list itself is written out, without most of the members knowing what's in it, the demands are such that the employers cannot grant them. For sure these people cause problems. Well (they say)...we've come this far now, we can't stop here. If we don't get what we demand then the members will consider us worthless as union leaders. At this point there are bound to be work stoppages, various kinds of protest and so on. As for old unions, they already know and understand the Labor Relations Act of 1975, which has a section on what conduct is unlawful.

[Question] Taking the demands (of unions) nowadays as a group, do they differ from past demands or not?

[Answer] There are two kinds of new demands. If it's a new union...the demands come in the form of a pattern, they are taken straight from it. There will be around 16 to 20 items. But if it's an old union which already has an agreement with an employer, there will only be two, four, or six demands, all in very small matters, just for show. That is, in order to make their demands effective, they don't demand much. Because they know that the situation of the employers doesn't allow them to respond to demands generously, they try to protect their own work satisfaction.

[Question] Let's talk a little about you if we may. We know you are a very capable advisor to employers. No matter what labor struggles go to court, the employers on your side always win. What special techniques do you use in fighting labor disputes with employees?

[Answer] (Laughter) I'd say it's in how much we understand and are sincere about labor problems. It's very important to keep in touch, to mingle with labor and be honest with labor, to understand labor problems and not to attack labor problems by the book, without studying the true facts.

[Question] Workers in some quarters criticize you as an "employers' hawk" in labor conflicts, meaning that you slash through flesh and blood and frighten them.

[Answer] (Laughter) To tell the truth about this, if the interviewers are telling the truth, I'm not that kind of person. Each of us has to look at himself and see whether his actions are correct or not. They say that the employers fire (workers) but they don't say that... I take leave regularly, I skip work regularly. In a year I take off 40-50 days or 60-70 days. Today there's a lot to do and I don't come to work. Why not criticize this side of things? They criticize capitalists for firing workers, for oppressing workers. This is a problem. Certainly they'll say they were fired. But I'm the sort of person who wants to learn what they were fired for and how it came about... That people say... It's true that I win. It doesn't matter if the suit is in Central Labor Court or was in a civil court, in most of them I've succeeded; in fact, I haven't yet lost a case. I go and mingle, so I learn the truth in labor matters, and I have sincerity and understanding. I've been studying labor matters for 20 years now.

[Question] You mean that you must seize on the weak points in the (cases of the) employees who strike and play with them from the viewpoint of the law.

[Answer] No, sir... I see it this way... The point about the law is that there's only one law. Anyone who reads it knows it. But it isn't all in the law in a simple way. In labor matters it's also in the people involved and in the way the affair came up. We have to study the problems that come up to say what they are exactly...where the greater deficiency lies.

[Question] Please expand on "look at the people involved."

[Answer] Really... This is hard to talk about, because of the sort of person I am. I don't advise just any company. The companies I deal with for the most part were born when the securities market opened. Because I have been abroad and have been in the stock market, when management committees in many places have seen that I'm in the labor field they call me in to help them. To tell the truth, I've never put myself forward and asked to be an advisor nor been hired by anyone. So my solving labor problems is different than other people's solving them. Because an advisor tries to draw out the game for a long time for the sake of his bill. In my dealings with companies, though, I certainly always try to resolve the problem or dispute as fast as I can, because labor problems block us and make us slow and hesitant. Often illness intervenes. So the results are worth thinking about. That's why I talk about sincere in labor problems. Sometimes I go 3, 4 even 5 rounds of negotiations, all day and all night. If we want the game to stop, we have to end it.

[Question] What you just said about not being an advisor to just any company-- is it this point that prevents you from speaking of certain kinds of techniques, sir?

[Answer] (Laughter) This...I...I can't answer... (Laughter).

[Question] Please tell us about the time you went in and solved the Fajip Company dispute. It seems there was a great deal of interest at that time, and it made you a hero.

[Answer] Well... The Fajip case wasn't the first strike I worked on... I think it was in early May of 1979 when a strike was called at Thai Rung Union Car, where I had a hand in solving a problem that involved the firing of 276 workers. Then in 1980 there was a problem at Bridgestone Rubber Company when a strike was called because one of their demands, about a bonus, hadn't been met. At that time we fired two sets of workers, about 24 in the first set and 22 in the second. After that came the Fajip Company and the Bia Wathana Rubber factory where strikes were called and we went as far as firings. So these are the tricks...tactics of people who get involved in this field (laughter).

[Question] In the case of Fajip it seems that you sent people to photograph workers you thought were breaking the law, for instance by trespassing in the factory. Is that true?

[Answer] Yes, sir... At that time we were using everything, sir: cameras, zoom lenses, tape recorders, underground negotiations.

[Question] How did you use the photographs?

[Answer] We used them, sir.

[Question] You used them in trespass cases?

[Answer] We did, sir.

[Question] Were they most important in trespass cases, or in what other ways, sir?

[Answer] We used them for everything, sir. If you take photographs, you have pictures that show things clearly.

[Question] Did you charge in court that those you photographed were agitators flooding the factories, sir?

[Answer] We could do many things. For the most part, their behavior showed their intentions. Think about it for yourself. We take photos. Sometimes they smile boldly and ask us to make them a little prettier, that sort of thing... They speak defiantly. But they don't know that while we're taking pictures we have tape recorders on us and we're getting it all. Then when we go to Labour Court, the court lets us fire everyone who appears in these photos.

[Question] When there is a strike that is within the limits of the labor laws, can taking photos or making tapes still be useful at trial?

[Answer] To tell the truth, every kind (of record) is useful. At present we don't just take photos or make tapes. Now we've started making videotapes as well, with both picture and sound. Sometimes the gist of a labor problem is, for instance, a matter between sides that are bargaining. Perhaps when the bargain is struck the substance of it on that occasion is not recorded.

carefully and in detail because time is short and the event is sudden. In such cases it is necessary to have a recording kept as evidence to cite.

[Question] You've been the representative of employers in labor conflicts like this all along. Has anyone ever wanted to harm you, or have you had any feeling that they might?

[Answer] I myself haven't had any such feelings because I've noticed that in my 20 years in labor circles, most of the people who talk about me do so face to face. There haven't yet been any attacks on me in books or articles. I'm sincere about labor problems. But I think such things can happen with labor leaders or kids who have just come into labor circles. But if we analyze it, I can say that I've never done harm nor set out to cause harm and make them resentful. Even where there have been firings, I call the employees in to chat and let them understand why it was necessary. In this way I let the firing take place without letting there be a criminal case against you. That should...that should...that should be alright now, because if I did bring a criminal case, then surely, besides having to leave your job, you'd also have to go and get the city to withdraw the charges. This I don't want to do.

[Question] Have there been any leaflets attacking you?

[Answer] Not yet.

[Question] Yesterday we had news of a leaflet that attacked you.

[Answer] Oh... I just saw it yesterday... As far as I know there is...it's a leaflet from...it looks like...I just saw it for the first time sir... Really... I don't want to say this on tape at all (tape turned off).

[Question] We'd like to ask a final question. From all your experience, which problem are you proudest of having solved?

[Answer] Well... There was a textile company that was failing, couldn't go on. When it was finished we bought it. The factory had a union. We announced that for the time being we'd like to go ahead and do business first, because we'd just come in. We'd make workers' benefits as complete as we could, but for now let no one demand anything of us. Please let us go ahead first, because the company was losing money and we bought it. This the union accepted. In my 20 years of experience, this was the first time I was impressed. I was impressed that there were still men of their word among laborers. Usually people say there is no civility among the poor. But in the union that developed here I saw...uh...they still have civility.

His Name Is Raksa Mekhanand

On the discussion platform for officials of many private industrial companies, Raksa Mekhanand, knowledgeable host, plump and chubby, big and tall, gradually lays out experiences from encounters in the field of labor problems in a lazy voice that conceals an enormous control of those who are trying to learn from him. The circumstances of many cases that have passed before him in a

lifetime are brought up as examples to illustrate the techniques that employers can really use to extricate themselves from the big difficulties that are always coming up with the labor force. Each round of discussion doesn't take long. Raksa will extract the gist of it in very short order and fill out each round with case studies. The executives' questions surge in toward him...Raksa answers each one clearly and does not disappoint the audience... Then the strategies of pulling out knots in disputes with labor unions are all accurately stored in the minds of the executives.

Many labor leaders characterize this man as an "employers' hawk." This comes from the game of battling with laborers in which he is deep and changeable, like a man experienced in maneuvering, so much so that some people refer to him as "more slippery than an eel." But these clever talkers haven't pulled off a single strategem that matches those of Raksa.

Raksa Mekhanand completed his education in industrial administration at California State University and in business administration at U.C.L.A., at almost half his age of 44 years. He has been in labor circles ever since. Not only a labor advisor to many industrial companies, Raksa is also a director of not less than 10 companies that are preoccupied with labor unions, viz., Biawathana Rubber, Siam Manufacturers, Sahapathana Investment, Wiwath Industries, Bangkok Nylon, Wira Engineering, Super Tile, International Textile Factories, Peace Pipefitting Industries, and British-Thai Synthetic Textiles.

Besides this, he also has positions in the following organizations in the labor field: He is an Employers' Conjoint Judge of the Central Labor Court, member of the Advisory Council for Labor Development at the Labor Department, and member of the committees of the Thai Textile Employers Association, Thai National Employers Association, Private Management Association, Compensation Appeals Subcommittee, Subcommittee on Labor Relations, and Subcommittee on Revision of the Labor Laws.

CHATURAT therefore had an unusual opportunity in meeting and talking with Raksa Mekhanand and recording the following conversation, taken verbatim from the tape.

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