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13 July 1982

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SHAN PRINCE VOWS OVERTHROW OF KHUN SA

Johannesburg SUNDAY TIMES in English 6 Jun 82 p 9

[Article by Herbert Howe: "Prince Wong Teaches Our Troops the Chop"]

[Text] What is a young Asian prince doing teaching martial arts at a reconnaissance commando base on the South African border?

It's all part of the amazing six-year odyssey of HRH Khemawong Mengrai, which has included acting as military adviser to the exiled Royal Albanian Army and a long-term plan to liberate his Burmese homeland from the clutches of an opium warlord.

The 32-year-old prince, who likes to be called "Wong," leaves South Africa shortly after a two-year stay for the next stage of his quest, which since 1976 has led him to the United States, Spain, Gabon, Zimbabwe and eventually South Africa.

In an exclusive interview this week he explained that it was a journey dominated by one mission--to wrest control of Burma's Shan state from the drug trafficker Khun Sa, whose 2 000 mercenaries operate through "intimidation, execution, and murder."

His goal: to acquire military training for himself and weaponry for the Shan state's liberation army.

Wong's cousin was the ruling prince of Shan state and his father served as the Minister of Public Works, but when the military took power in 1962, they threw his father into jail.

Joining the Shan State Army, Wong rapidly rose through the ranks to captain, but in the early 1970s the Burmese Government, operating with Khun Sa's drug traffickers, outmanned and outgunned the Shan army.

Eventually, in 1976, Wong joined forces with Prince Leka, son of Zog and Pretender to the Albanian throne, who now lives in Johannesburg.

Trained at Britain's Sandhurst and France's Sorbonne, Leka has dedicated his life to ending communist rule in Albania, and re-establishing the monarchy.

Needing a military adviser, he travelled to Thailand where he heard about Wong's military capabilities. The self-styled "King of the Albanians" promised Wong's army both money and military supplies if Wong would train his small force of Albanian exiles.

Wong became a major in the exiled Royal Albanian Army operating out of Spain and training a mixed force of Thais and Albanians in weaponry, explosives and martial arts.

Vendetta

The Asian prince and Albanian "king" were eventually forced to leave Spain in 1978, but King Carlos of Spain lent them an Air Iberia DC-10 which they filled with 2-1/2t of military supplies, assorted Albanian and Thai freedom fighters, and six large Boxer dogs.

Landing in Rhodesia, the only country willing to accept them, Wong continued to train the Thais and Albanians while collecting small amounts of military equipment for battle against Khun Sa.

Plans to fight in the Rhodesian war ended with the election of Robert Mugabe.

Wong says Rex Nhongo, the present head of the Zimbabwean army who had been trained in Albania, had a warrant to find and "deal with" the Royal Albanian Army, and Leka and Wong came south to continue their crusades separately in South Africa.

The Asian prince expresses mixed feelings about his work in Rhodesia and South Africa. "Apartheid is very wrong, and as a nonwhite I certainly know."

Yet his vendetta against Khun Sa remains uppermost and Wong values his military expertise obtained by informal association with Rhodesia's Selous Scouts and in South Africa.

With one week left in South Africa, Wong increasingly thinks about home.

"I haven't seen my parents in a long time. I miss them very much. I know that my mother worries about me, but my father is very proud.

"Most of all, I hope someday to come face to face with Khun Sa.

"When I finally meet him in battle, I will kill him. And then all my training, all my planning and waiting will prove worthwhile."

CSO: 4220/79a

BURMESE COMMUNISM REVIVING

Bangkok POST in English 19 Jun 82 p 4

[Article by Vijid Wongwain]

[Text2

THE Communist Party of Burma, after an eclipse of almost 30 years, is now beginning to be heard of again by the outside world.

At one time, in the late 1930s, the 1940s and into the early 1950s, the CPB (then known as the BCP, or the White Flag Communists for reasons now forgotten) was a formidable power. It was well-organised, disciplined, tough and was able to infiltrate not only Burmese labour but also various student bodies, government departments, the police and, more important, the Burmese Army and military establishment. In fact, the CPB came very close to toppling the government of U Nu in the turbulent and chaotic years following Burma's independence in 1948.

It can be said that the Burmese Communists were the most dynamic and vigorous group of people at that time in Southeast Asia, and were it not for the loyalty of the non-Burmese ethnic leaders — Shan or Thaiyai, Kachin and Chin — to U Nu and the idea of the Union, the CPB would have been victorious. It was those people who supplied the Burmese Army — weakened by mass desertion of its officers and rank and file to the Communists and mutiny by Karen units — with cannon fodder.

Also, the fact that Stalin was busy digesting his European spoils of war, and preoccupied with greater events in China and Indochina, and the response of the British to U Nu's plea for help, contributed quite significantly toward deflating the dynamism of Burmese Communists.

The years spanning the mid-1950s, and into the late 1960s, were dark and lean years for the CPB. Those years were for Burma politically pretty stable ones, stemming largely from U Nu's personal popularity and his ability to gain the respect and trust of the non-Burmese. This, and some amount of prosperity blunted the CPB's call for revolution, and the party was furthermore isolated internationally since both Krushchev and Mao were more interested in maintaining their influence through the power elites of Rangoon. Burmese communist leaders and cadres who made it to Moscow and China were kept in comfortable obscurity.

However, with the ending of civilian rule in Burma following the coup in 1962 by General Ne Win, and during the earth-shaking Chinese Cultural Revolution, Peking's relations with Ne Win soured — the unofficial reason being that Ne Win had not only moved closer to Russian revisionists but had very close relations with the renegade Liu Shao Chi.

EXPLOSION

Chinese schoolchildren in Rangoon and elsewhere started sporting Mao buttons and waving Mao's red books. The result was a sudden explosion of anti-Chinese feeling all over Burma, abetted according to some sources by the ruling party (Burmese Way To Socialism Programme Party —

BWSPP) and the dreaded and all-powerful MIS (Military Intelligence Service).

Chinese schools, institutions and even private homes were raided by Burmese mobs resulting in many deaths, much hardship and displacement among Chinese nationals, and many trekked through the mountains and jungles to China.

In about 1966, cadres of the Communist Party of China began slipping into the areas bordering China, in the Shan and Kachin states, promising the natives freedom and arms. In their wake came Burmese cadres, many of whom were, to all intent and purpose, Chinese having lived undercover as overseas Chinese, and married to Chinese cadres.

How Chinese the Burmese Communists were, can be seen from the staging of a mini-cultural revolution within the party in the jungles of Burma which resulted in the decimation or liquidation of its many seasoned commanders and top leaders such as Comrade Goshal (a) Yebaw Ba Tin, General Ye Gaung, Yebaw Bat Htay, to name but a few of the countless party veterans smothered in the hysterical bloodbath of 1968-69.

This gory foolishness, coupled with the Burmese Army's drive to destroy communist bases before outside aid became effective, resulted in heavy battle losses, including the death of the party's chairman, Thakin Than Tun, and after him, Thakin Zin who succeeded to the post.

The overall result of the mini-cultural revolution and the drives by the Burmese Army was the loss by the CPB of all liberated areas and bases in Burma proper — the most significant being the Pegu Yoma and the Irrawaddy delta region.

LAUNCH

Such setbacks could have spelled the end of the CPB had it not been for Naw Seng, a captain in the post-independence Burmese Army and holder of the British Military Cross, who fled to China in 1949 after failing to launch an anti-Burmese rebellion in the Shan and Kachin states. He was, it is said, then an officer in the Chinese PLA, and was given the task of spearheading the CPB's drive into Burma.

By the early 1970s, Naw Seng had not only established liberated zones in the Shan State on the Chinese border, but had under his command 6,000 to 8,000 men of all nationalities — Kokang Chinese, Kachin, Wa, Shan, Palaung, Lahu, Ekaw, and displaced Chinese (formerly from Rangoon, Mandalay, and other towns of Burma), plus 3,000 to 5,000 volunteers which he could call on in important operations such as during the siege of Kunlong, the capture of Vieng Ngern, Muang Yang, and attack on Lashio and Muang Xong.

It was a formidable force whose ferocity in battle disturbed and dismayed the Burmese Army, but fortunately for Ne Win, Naw Seng died — in a "hunting accident," according to the CPB. Others say he died because he was more interested in gaining freedom for his Kachin people than in the liberation of the proletariat. The general opinion is that Naw Seng was the victim of a CPB assassin.

Though Naw Seng's death deprived the CPB of an aggressive and outstanding military commander, the flow of seemingly endless material support from the fraternal party until the mid-1970s enabled it to consolidate its position along the Chinese border, and it had by then under its command more than 12,000 regulars and about 20,000 militia men.

Moreover, through offers of arms the CPB was able to form military alliances with the seasoned Kachin Independence Army or KIA (strength: 3,000 to 4,000), and the tough Shan State Army or SSA (4,000 to 5,000), which had the support of the Kachin and Shan peoples respectively.

However, with the demise of Mao and the fall from grace of the Gang of Four, the CPB found itself on the wrong side of the fence having, during the Chinese Cultural Revolution, heartily vilified Deng Xiaoping. As a result, the supplies stopped flowing as freely as they had during the early 1970s.

It is the hope of many governments, especially those of Southeast Asia, that Deng will eventually do to the CPB what he did to the Communist Party of Thailand, leaving the Burmese Communists high and dry. However, many students and observers of Burmese politics think that such a hope is without firm foundation, mainly because China is the odd

man out in the political equation of Burma — that is, Peking is isolated because whatever little footholds there are in Rangoon are already occupied by either Moscow or Washington — albeit precariously. The only option open to the Chinese is to cling to the CPB and make friends with other anti-Rangoon forces.

Because Burma is of special interest to China, traditionally as well as strategically, Peking cannot allow any outside power to prevail in Rangoon — be it Moscow's, Washington's or even ASEAN's — and will therefore have to hang on to whatever opposition force is at hand. Within this context, the widespread and deep dislike among non-Burmese — Kachin, Wa, Shan, Lahu, Palaung, Karenni, Karen, Mon, Arakanese — for Rangoon or rule by the Burmese over their respective homelands — would come into greater significance for both China and the CPB.

The CPB is heavily-dependent on the ethnic people opposed to Rangoon, as can be seen from the fact that more than 98 per cent of its fighting men are non-Burmese and, more significantly, more than 90 per cent are not party members and are at heart more nationalistic than anything else.

The CPB has so far, because it is able to provide arms and other war materials, been able to treat these non-Burmese as mere cannon-fodder. The question is: What would happen if the non-Burmese were compelled by force of circumstances to throw their wholehearted support behind the CPB?

As far as the non-Burmese in general are concerned, many of the leaders both outside and within the CPB sphere of influence are essen-

tially what one could call "rightists," and probably as fearful of the Chinese as the Russians are.

NECESSARY

Some of the non-Burmese of Burma have entered the narcotics trade, maintaining that smuggling opium and heroin is necessary to finance their nationalist movements.

They have found themselves in recent years — and particularly in recent months — pressed more and more tightly between the Communist Party of Burma, which controls the opium fields, and the Thai military, paramilitary and police forces pushing to wipe out the trade.

A nationalist leader said the "current trend among governments of the free world is quickly pushing us into the arms of the CPB." He maintained that Rangoon's policies left the non-Burmese no alternative.

Any closer movement of the Burmese minorities toward the Communists is, of course, significant to Thailand. The immediate neighbours at the Thai frontier are Mon, Karen, Karenni, Shan (Thaiyai), Lahu, Ekaw and Lisu, at least some of whom maintain that they are being forced to look toward the CPB.

An argument heard more and more, as Thai pressure on the narcotics traffickers increases, is that such operations may strengthen the Communists not only by giving them more recruits, but turning the non-Burmese into bona fide Communists committed wholeheartedly to a CPB victory. Whether this occurs remains to be seen, but it will probably have no effect on the Thai campaign against drug-dealers.

VIETNAMESE ASEAN MEMBERSHIP SAID TO BE IMPOSSIBLE

Jakarta KOMPAS in Indonesian 27 Apr 82 pp 1, 12

[Text] Apart from the question of whether or not there is a Chinese threat in the Southeast Asian region, ASEAN must first think seriously before accepting Vietnam as an ASEAN member. ASEAN leaders should realize that cooperation among the five ASEAN countries alone (all of which are non-communist) is still meeting a lot of opposition as a result of differences of opinion on various issues.

Supposing, then, that Vietnam also becomes a member, it can be speculated that the difficulties will be exacerbated, to the point that the regional affiliation itself could run aground.

This was the reaction of former Indonesian ambassador to Vietnam, Hardi, SH, to the statement by Nguyen Co Thac, Vietnam's minister of foreign affairs, regarding Vietnam's willingness "to become an ASEAN member after the Chinese threat disappears." Hardi considered the statement to be rigid, clever and even negative in nature, because the disappearance of the Chinese threat as a prerequisite for Vietnam to become an ASEAN member actually is irrelevant.

This mean, said Hardi, that in deciding whether or not to allow Vietnam to become a member of ASEAN, the regional organization does not need to look at preconditions set by Hanoi. Moreover, in that statement there was no evidence of political values which demonstrate a desire on Vietnam's part to build good relations and cooperation with ASEAN.

According to Hardi, in a statement of a Vietnamese figures which concerns ASEAN, as a matter of principle emphasis should be placed on whether good relations and cooperation between Vietnam and ASEAN need to be built or not. The Vietnamese foreign minister certainly can speculate that what he called the "Chinese threat" will not vanish in a specified period of time.

For that reason, Vietnam's willingness to enter ASEAN, which is linked to a precondition of the "disappearance of the Chinese threat" only gives rise to the interpretation that it is not possible for Vietnam to become an ASEAN member.

He added that Vietnam's unwillingness to enter ASEAN is that country's own right, and ASEAN would not be disappointed with such a position. "I feel the very mention of a prerequisite detracts from the validity of the statement itself," said Hardi. "In fact, we all know that there still are more fundamental matters to be adhered to as guidelines on the question of whether Vietnam enters ASEAN or not."

Hardi believes that anyone who studies the substance of the Lao Dong (labor) Party congress resolution of February, 1976, will realize that Vietnam is still bound to the principles of that resolution, which, among other things, states, "Vietnam supports the just struggle of the Southeast Asian people for achieving true national independence, democracy, peace and neutrality." Then it also says, "Vietnam opposes the presence of foreign troops and military bases in several countries of the Southeast Asian region."

It will be clear to each political observer, according to Hardi, that this provision is aimed at several ASEAN member countries. That is why in the first years after the Bangkok Declaration, Vietnam was unwilling to recognize ASEAN. As a result, the agency for cooperation among the missions of the ASEAN countries in Hanoi was not recognized as an "agency," as was the case in other countries.

Thus, Hardi continued, if Vietnam is not able to enter ASEAN yet, it should not need to tie in the matter of the as yet unvanishing Chinese threat. Rather, political reasons and matters of principle should be the basis of its statements, such as an admission that the Hanoi government still must heed the provisions of the 1976 party congress resolution.

According to Hardi, Foreign Minister Nguyen Co Thach's statement actually was intended more to smooth the way for his efforts to obtain EEC assistance for Vietnam. In view of the fact that the EEC supports ASEAN efforts in the Kampuchean matter, the Vietnamese foreign minister is trying to show that it is as if Vietnam and ASEAN are not at odds with each other.

"We are all aware of the need for cooperation between ASEAN and Vietnam. But to effect such cooperation, there is still an important matter which must be resolved together, namely the Kampuchean problem," said Hardi. "For that reason," he continued, "in the meantime the form for this cooperation is simply based on the principle of peaceful coexistence."

9792

CSO: 4213/55

THREE 'FREE ACEH' FIGURES KILLED

Jakarta KOMPAS in Indonesia 20 Apr 82 pp 1, 9

[Text] A task force from Military Area Command I on Thursday, 15 April, was able to make a surprise attack on an encampment of the Hasan Tiro band at the foot of a mountain 30 km from the subdistrict capital of Jeunib, North Aceh. The following were shot in the attack: Tgk Ilyas Leube, who was called Free Aceh minister of justice, Idris Achmad, called regional governor of Batee Ileiek, and Yacob Piah, from Free Aceh's logistics affairs.

The three were shot when they tried to escape, even though the attacking force had asked them to surrender. Brig Gen Djoni Abdurachman, commander of Military Area I/Iskandar Muda, explained to reporters yesterday that 1 Lee Enfield rifle, 74 rounds of ammunition, a portable typewriter, a transistor radio, 20 kg of rice, 8 kg of sugar and 5 kg of ground coffee were found during the attack.

The bodies of the three Hasan Tiro followers were turned over to relatives through the Tripartite Leadership Council of Jeunib subdistrict, along with 50,000 rupiahs each in financial assistance for burial costs from the commander of Military Area I.

According to General Abdurachman, information about the final position of Tgk Ilyas Leube and confederates was received by Military Area Command I on 14 April at 1900 hours West Indonesia time. Immediately after that at 0300 in the morning on 15 April a task force of 8 members led by Infantry Major Soebowo, deputy commander of the 112th Infantry Battalion, left from Samalanga for the target area 30 km away. Because of the difficult terrain, the task force went on foot for 23 km, so that by 1000 hours West Indonesia time it was approximately 300 meters from the Ilyas Leube bivouac. The Soebowo force crawled very carefully toward the encampment to a point 10 meters away. They could clearly see the three members of the Hasan Tiro movement and the Lee Enfield weapon, which was hung on a pole. But the three individuals were not sitting in a group in the camp because they were occupied with preparing lunch.

After waiting a long time, finally the Soebowo force yelled loudly that the three should surrender because they were surrounded. The three Hasan Tiro followers were extremely startled by the cry. Nevertheless, they did not heed it and attempted to escape. Finally, the three were shot after being pursued a few dozen meters from the bivouac.

According to KMPAS' records, with the death of Tgk Ilyas Leube, 1 of 9 Free Aceh figures who have been sought until now, there are only 3 leaders of the Hasan Tiro Movement left, namely Hasan Tiro himself, Dr Zaini and Daud Peneuck. Previously, Dr Muchtar, Free Aceh minister of internal affairs, was shot on 13 August 1980 in East Aceh, while Dr Zubair, Free Aceh minister of health, was also shot near East Aceh on 25 May 1980.

The rest surrendered and are being treated well. Respectively they are Ir Asnawi, Amir Ishak and Tgk Husein. On the other hand, Tgk Usman Lampoh AWE, Free Aceh finance minister, was captured alive, was tried and is now serving 20 years in prison.

9792

CSO: 4213/55

SUMITRO EXPRESSES POSITIVE VIEW OF ECONOMY

Jakarta SINAR HARAPAN in Indonesian 20 Apr 82 pp 1, 11

[Excerpts] Prof Dr Sumitro Djojohadikusomo rejects the view which says that in Indonesian development the rich are getting richer and the poor are getting poorer. "The truth is there is a small group of people who are experiencing better progress than the poor, who are also seeing progress," said the former trade minister in an interview shown Monday night on Indonesian television.

In the interview with three Jakarta reporters, four main topics were discussed, namely the payment of the government debt, the social gap, the quality of life and the drop in oil exports.

Sumitro explained that all groups in Indonesia experienced progress in the rapid period of development during the past 10 years. "But there must be an awareness on the part of the upper group, who are considered to be the elite and who hold political power, in order that limitations be put on their life-style and standard of living." He said that social unrest is based on the unlimited life-style and living standard of the elite group.

Sumitro said current government indebtedness will not be a burden for future generations "because such obligations are being utilized for investments which will permit production increases."

"If the loans are squandered all over, clearly future generations will be burdened," he said. "But I believe the loans have been used well."

The economist said that of modern governments, not a single one is capable of developing by only relying on its own annual savings program, because a government must make investments whose fruits can only be enjoyed after 7 to 10 years. That is the reason the government must borrow from society, either at home or abroad.

What becomes a problem is whether the loans can increase production or not. According to economists, with certain loans production should increase twofold in each generation. But Indonesian production increased twofold in only 10 years (1970-80), and there is even a trend whereby our production will have a three-fold increase during the next 10-year period.

According to Sumitro, approximately 20 percent of all production increases is from exports, while only 15 percent of the value of exports needs to be used to pay off the indebtedness. "So, there is no problem of debt repayment for future generations," he said.

Sumitro said that after 10 years of "living off of oil exports," we are now nervous as a result of the drop in the volume of exports, "so that it is as if we are half defeated."

He said the effect of the drop in the volume of oil exports will surely be felt in 1 or 2 years. "But if we manage things well, I feel that on the basis of the current economy we can overcome the difficulties."

In regard to deficits in current balance of payments transactions, Sumitro said these can be covered by depositing all foreign exchange reserves, whose sum has reached \$7 billion. The deficit, which according to the governor of Bank Indonesia in 1981 reached \$400 million, can be covered by the interest on deposits, amounting to about \$1.5 billion.

Sumitro estimates that the amount of interest from Indonesian foreign exchange reserves deposited abroad this year will be more than \$1.5 billion. "So, if this year's deficit is larger, we can cover it by loans or by using foreign exchange."

Sumitro admits the effect of the drop in oil exports is that the rate of growth will fall off. But he drew attention to the fact that in general the growth rate all over the world also experienced a decline. In 1980 Indonesia's growth rate reached 9.6 percent. In 1981 it was 7 percent, and it is estimated that in 1982 it will be 6.5 to 7 percent.

In speaking about the quality of life, Sumitro said the problem is how to increase it, particularly in continuing to guarantee the availability of the basic necessities like food, clothing, health facilities, education and housing.

Compared to the period 13 years ago, current conditions are far better. "In 1967 I had just returned home after being away for 10 years abroad. I can still see people lining up for food and clothing," Sumitro said. Now the Eastern Lesser Sundas region, which traditionally has always had a deficit, has begun to see a surplus.

In an overall evaluation of national economic development for the past 13 years, Sumitro said that growth in production has been able to surpass population growth. This differs from previous periods when there was even an average decline in production.

For the past 13 years, Sumitro said, there still have been weaknesses, errors and shortcomings. But with an attention to production increases in the basic human necessities, these problems can be overcome.

9792

CSO: 4213/54

SUPPORT OF MAUBERE PEOPLE URGED BY INDONESIAN COMMUNIST LEADER

Maputo NOTICIAS in Portuguese 29 May 82 p 10

[Text] The triumph of the FRETILIN [Revolutionary Front for East Timor Independence] will depend on various internal and external factors which are interrelated, Umar Said, a member of the Communist Party of Indonesia and of the opposition to the fascist regime of General Suharto, said yesterday in Maputo. Umar Said spoke at a press conference during which he outlined a whole scenario concerning the nature of the reactionary military regime in Indonesia.

Umar Said is a member of the opposition to the present government of General Suharto in Indonesia, and his activities have been known to the FRETILIN since 1975. During the Dutch colonial era he was a member of the famous Brigade 17, made up of Indonesian students, which fought in the 1940s against Dutch colonialism.

He began his career as a journalist in 1950, first with one daily newspaper and later, in 1955, working for several, rising to the post of chief editor of one of the leading newspapers of the era.

The year 1959 marked extremely important advances in his career. In that year, Umar Said, with some of his colleagues, founded the only daily newspaper dealing with the economy of Indonesia.

In 1963, with the support of the deposed President Ahmed Sukarno, he founded the Afro-Asian Journalists Association. At that time, Umar Said was already a member of the Indonesian Journalists Association.

He was later elected a member of the secretariat of the Afro-Asian Journalists Association, and in that capacity, he attended a number of international conferences in various African and Arab countries.

Following the coup d'etat led by General Suharto in 1965, Umar Said, who was in Algeria at the time, learned that the newspaper of which he was editor in chief had been shut down. He then went on to the People's Republic of China.

During the press conference, which lasted almost 2 hours, this Indonesian patriot voiced his conviction that the Maubere people will win in their battle against Indonesian occupation.

This conviction results in part from the low morale characterizing the Indonesian soldiers who are in the interior of East Timor, among whom there is a vast number of deserters who have abandoned the army of the Suharto regime.

EAST TIMOR STRUGGLE SUPPORTED BY INDONESIANS

Maputo NOTICIAS in Portuguese 29 May 82 p 5

[Text] "General Suharto's troops, those very troops which seized, tortured and killed thousands of people in my country, are those which are occupying East Timor today," Umar Said, a member of the Indonesian Communist Party, who is paying a visit to the People's Republic of Mozambique, said yesterday during a press conference. At the meeting with journalists held in the headquarters of the ONJ [National Journalism Office], the visitor undertook a broad and detailed analysis of the situation which exists in Indonesia, the importance of the struggle being waged by the Maubere people and the future of the military regime established in Djakarta.

The Indonesians, he went on to say, regard the battle being waged by the FRETILIN [Revolutionary Front for East Timor Independence] against the dictatorial regime of Suharto as very important, and they stressed that the enemy of East Timor is the same as the enemy of the people of Indonesia. There is a clear concept that what is being defended, weapons in hand, is the legitimate right to self-determination, one of the basic principles established at the Bandung Conference in 1955.

Umar Said voiced his admiration of the Revolutionary Front for East Timor Independence, which despite the inequality of the forces from the military point of view, has succeeded in keeping the flame of rebellion burning during these 7 years of resistance to the invader. He went on to stress that it is necessary to realize that there are currently more than 30,000 soldiers on this small island in Oceania, a contingent which is not only large but also well trained and equipped.

The military strength is very great, since the army has about 180,000 men, the navy approximately 40,000, the air force 28,000, and the police, according to some estimates, something like 15,000. There is also a paramilitary organization which has 400,000 members more or less. Thus General Suharto has a force estimated at a million persons included in the military and paramilitary organization.

Resistance in Indonesia

In the view of this leader, the triumph of the FRETILIN will depend on various factors, both internal and external. The first and principal one has to do with East Timor itself. The others lie within Indonesia, and a third has to do with the international situation. There is an interrelation among them all, but it is deemed of great importance that the progressive movement in Indonesia is such that greater support is developing for the favorable situation existing within East Timor.

Umar Said said that personally, like his compatriots, he is persuaded that everything should be attempted to make of the factors existing within his country an element working toward the advance of the victory of the Maubere people. The development of the struggle in East Timor will favor increased resistance within Indonesia itself, the communist militant stressed. He also spoke of the importance of a struggle being waged in his country against the military dictatorship, such that both the battles are closely linked.

Where the morale of the invading troops is concerned, he believes it to be at a very low point. The desertion of a large number of soldiers, some of whom are currently being held on Bali and Java, as well as other islands, has been noted. The most important thing moreover is not simply that the soldiers choose to desert, but that they are also joining the FRETILIN and undertaking the battle against their old detachments from the mountain areas.

Another rather significant fact, also established through reliable sources, has to do with the high number of casualties. One of the totals repeatedly mentioned places the deaths caused in the ranks of the invaders at a total of about 10,000. Obviously, the government does not acknowledge this nor does it even publish the list of those killed or even clearly indicate the number of wounded, although it is known that particularly with regard to the wounded, the figures are rather high.

The Reason for the Invasion

On the other hand, the political situation in Indonesia is not entirely favorable to the dictatorship, since there is a strong opposition movement. Dissatisfaction even extends into the armed forces, with the resulting rumors of coup d'etat attempts. Recently, three former prime ministers and a number of high-ranking retired officers signed a petition urging Suharto to abandon leadership of the country.

The coup d'etat led by General Suharto in 1965 had as its goal the removal of the progressive cadres--civilian and military--to bring Indonesia into the capitalist orbit. It was carried out very violently, costing the lives of more than 500,000 persons, while hundreds of thousands of others were thrown into prison. At the present time, after almost 20 years in power, the military are still holding about 30,000 political prisoners, some of whom have never had a trial.

The close links the regime has with imperialism are such that an independent and progressive government in East Timor would not be accepted. Thus, Umar Said stated, one can understand why such violence was committed against the people when they invaded and why this situation is continuing. Since the beginning of the aggression by Suharto's troops, we have taken a clear stand in favor of the Maubere people, the Indonesian communist militant stressed.

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CSO: 4742/326A

AMOUNT OF CREDIT INSURANCE RISES SHARPLY

Jakarta HARIAN UMUM AB in Indonesian 20 Apr 82 p 3

[Text] In 1981 PT Asuransi Kredit Indonesia (Askrindo) [Indonesian Credit Insurance Co] was able to provide 663.1 billion rupiahs of insurance on credit grants to small and intermediate businesses. This sum rose far higher than the previous year's amount, which was 402.1 billion, an official from the Department of Finance said Monday in Jakarta.

Most of the credit insured by PT Askrindo was used for trade activities (376.3 billion rupiahs, or 56.7 percent of total credits) and services (127.2 billion rupiahs, or 9.5 percent).

In 1981 Askrindo provided insurance for 62.8 billion rupiahs in credits in the field of agriculture, 58.6 billion rupiahs in industry, and 38.2 billion (5.8 percent) in other economic sectors.

In regard to the kinds of credit which Askrindo backed in 1981, the extension of small investment credit (KIK) reached 214.6 billion rupiahs, permanent working capital credit (KMKP) was 379.3 billion, and regular exploitation credit amounted to 69.2 billion rupiahs.

PT Askrindo collects a 3 percent interest premium on insurance for KIK grants over a 5-year term, 5 percent for KIK over a 5 to 10-year term, and 3 percent for KMKP over a 3-year term.

Now there are 58 banks and non-bank financial institutions to which Askrindo furnishes insurance for the credits they issue, namely 6 government banks, 23 regional development banks, 27 private banks and 2 non-bank financial institutions.

Askrindo offers this insurance because many firms, particularly small businesses, cannot provide collateral in the form of assets whose minimal value is equal to the amount of credit requested, in accordance with basic banking regulations. In fact, efforts carried out by the businesses concerned have good potential. The resolve and skill of these businessmen is also quite good.

'PELITA'S' PUBLISHING LICENSE SUSPENDED

Jakarta HARIAN UMUM AB in Indonesian 7 May 82 pp 1, 7

[Excerpts] The publishing license of the daily newspaper PELITA was temporarily suspended by the Indonesian minister of information through Directive No. 92/KEP/MENPEN/1982 dated 6 May 1982.

The decision to temporarily suspend the paper's license was made under the consideration that in its publication of 5 May 1982 PELITA had run stories concerning the results of the balloting in several polling places in Jakarta. These results were not derived from the General Election Institute (LPU) in accordance with the provisions drawn in the 28 April 1982 declaration by the Department of Information and the LPU.

On 30 April the Department of Information-LPU declaration was discussed in a joint meeting between the Press Council's Executive Committee and the editors-in-chief of Jakarta papers as well as the deputy editors-in-chief of provincial papers in Jakarta. The Executive Committee, in this instance acting for and in the name of the Press Council as the highest institution for news management under the power of the law, called on the national press to obey the Department of Information-LPU declaration regarding the publication of balloting results at polling sites. In essence the declaration stated that only the figures which were derived from the LPU could be announced in the press and other mass media.

The Executive Committee's appeal was based on the consideration, as also mentioned in the aforementioned declaration, of preventing conflicting reports such as occurred in the 1977 general election, which also succeeded in causing unnecessary tension, both in the mass media collectively and in society itself.

After the question-and-answer period, the Press Council's Executive Committee concluded that its appeal was accepted and the national press had agreed jointly to publicize only those figures which were the result of LPU balloting and which were later broadcast as well by RRI and TVRI [state radio and television stations].

In fact, only the daily PELITA did not comply with the joint agreement between the Press Council and the national press, so that whether intentionally or not, PELITA thus violated the agreement.

Furthermore, both during the campaign period and in the period just before the election when no campaigning is allowed, PELITA published articles and pictures which also violated the joint consensus.

In this regard, among those articles and pictures was a 28 April article on the lower right of page 1 with the heading "How to Vote for the PPP" [United Development Party]. Several portions of the article were misleading, not in accordance with and even in opposition to existing regulations of the general election code, and inciteful in tone, to the extent that they could disturb the order and security of the general public, who would use their right to vote on election day.

For publishing the aforementioned article PELITA received a second strong warning/reprimand from PANGKOPKAMTIB [commander of the Restoration of Security and Order Command] and a latter of protest from the LPU.

In addition to the above, PELITA's main story on 19 April 1982 was entitled "Several Complaints about PPP Campaign Disturbances Being Handled by POSKO [Command Post]. PPP's Central Management Board Registers Protest with KOPKAMTIB." This story was accompanied by seven pictures of destruction of PPP campaign facilities. In fact, this article violated the 8 April agreement between the central leadership bodies during the organization of the general election participants. In essence the agreement stated that the central leadership of the three organizations of election participants would each manage its own campaign security, including not reporting cases which might occur, until the problems could be resolved. For publishing the aforementioned story and pictures, PELITA received the first strong warning from PANGKOPKAMTIB.

In addition to these strong warnings, the Department of Information itself sent four written warnings between 20 March and 12 April 1982.

The temporary suspension of PELITA's publishing license means there is a prohibition from publishing, printing and distributing the daily newspaper PELITA until which time the publishing license is reinstated by a decision of the Indonesian minister of information after consultation with the Press Council's Executive Committee.

9792
CSO: 4213/54

INDONESIA

PORT OF SINGAPORE SAID TO HAVE ADVANTAGES

Jakarta KOMPAS in Indonesian 12 Apr 82 pp 1, 12

[Excerpts] As yet, it is still difficult for Indonesia to dismiss Singapore's role as a transit port for Indonesian export goods. Singapore's economic strength and its geographic location continue to be difficult to compete with. At best Indonesia can only hope for surpluses which Singapore is not able to handle.

So stated Roeslan Notoprawiro, president of the Indonesian Business Association of Singapore (IBAS), to reporters last week in Singapore. He was accompanied by Dorene Yeo, executive secretary of IBAS.

In addition to being president of IBAS, Roeslan also holds the office of manager of the Samudera Indonesia shipping company in Singapore. He has lived in the commercial state for 7 years.

One of the main considerations at the moment, said Roeslan, is the financial question. Many Indonesian exporters still do not have sufficient funds to finance their exports. For that reason outside financial assistance, which is considered the least costly, is needed. Until now such financing has come from Singapore businessmen.

"These funds are probably provided because there are family relationships between Singapore and Indonesian business and also because there have long been ties between businesses of the two countries," said Roeslan.

Actually the financing does not necessarily come from Singapore businessmen themselves, but from Singapore banking sources. Because of the city's extensive trade, many banks in Singapore offer low interest rates and easily procured loans. Since funds are obtained from Singapore banks, goods imported from Indonesia also must travel by way of Singapore so bills of lading can be seen by the banks providing funds.

How, after the government set forth the policy of low-cost credit (that is, at a 6 percent interest rate for exports), the problem of export funds can possibly be overcome--unless it remains difficult to obtain the credit.

Singapore's geographic location is more favorable. This commercial state is located along the main navigation lanes between Europe, Asia, Japan and the U.S. That is why almost every international vessel will pass by or stop at Singapore as a transit port.

With the many foreign vessels in Singapore, it is quite easy to find a ship to Europe, Japan or the U.S. Even the rates are very low. The reason is that when the foreign vessels dock in Singapore, they are already laden with cargos which will be transported to other countries. Goods transported from Singapore itself are only considered to be extra cargo, and high transport fees do not need to be imposed.

Furthermore, in Singapore there are also ships which are not bound to tariff agreements. They can determine tariffs at will, provided they can obtain goods. This is very favorable for exporting parties in Singapore, because they can choose the kinds of vessels which are the cheapest.

According to Roeslan, the planned development of four harbors in Indonesia will still not be able to compete with Singapore in the matter of the availability of ships. "Certainly international shipping will not want to shift the navigation lanes in order to stop at one of the four improved Indonesian ports. In changing the direction of the sea lanes, sailing time would be increased," said Roeslan.

Another matter which remains a plus for Singapore as a trading city is the sure recourse to the law there. All trade problems can be properly resolved by law. It is not a long, drawn out process, and there is no "refrigerator" system. This is the reason foreign businessmen from Europe, Japan, the U.S. and elsewhere prefer to deal with Singapore over Indonesia.

The names of Singapore businessmen are also a guarantee for European, Japanese or U.S. businesses, which still have more faith in and are closer to Singapore businessmen than Indonesian businessmen. Moreover, just in coming to Singapore foreign businessmen obtain much information about Indonesia. But if they come to Jakarta, they would not necessarily learn as much as they would in Singapore. "It turns out that information is more complete in Singapore. Foreign businessmen can learn more about Indonesian conditions and about Indonesian businesses via Singapore than directly in Jakarta itself," said Roeslan.

Roeslan added that while it is true Batam Island is being upgraded as a free port to compete with Singapore, at present Batam's progress is still blocked because not much in the way of a satisfactory infrastructure has been established yet. Roeslan said that Singapore today has actually changed its position as a trading city to an industrial city. It is not true, therefore, if it is said Singapore is very dependent on Indonesian export goods. Just now Singapore has advanced itself and will only permit high technology industries to operate there. But for businesses which want to use cheap labor, it is suggested they go to Sri Lanka or Batam.

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CSO: 4213/55

TRANSSHIPMENT AGREEMENT SIGNED

Jakarta KOMPAS in Indonesian 30 Apr 82 p 2

[Excerpt] A transshipment cooperation agreement for Indonesian non-oil export commodities between ocean and interisland shipping elements was signed Thursday afternoon. The agreement was signed by Drs Norman Razak, chief director of PT Pelayaran Djakarta Lloyd, as the coordinator for the ocean element, and M. Husseyn Umar, SH, chief director of PT Pelni, as the coordinator for the interisland component.

With the signing of the cooperation agreement, shipments of non-oil commodities from port of origin to country of destination no longer have to be taken directly by oceangoing ships or fleets. Besides being time-consuming, such shipments are also expensive.

Further, this agreement also aims to support the government's decision on the use of four harbors, namely Belawan, Tanjungpriok, Tanjungperak and Ujungpandang, as transit ports to lessen the domination of Singapore's open port.

The cooperation agreement involves 6 ocean shipping companies, having a fleet 64 units strong (388,594 DWT), and 47 interisland shipping companies, having a fleet 311 units strong (304,514 DWT).

According to Goetomo, who represented the director of shipping traffic, Directorate General of PERLA [Sea Communications], in addition to the strength of the national fleet, there is also a foreign fleet of about 2,366,834 DWT of conference and non-conference members operating in Indonesia. Thus, it means that altogether those would cover a tonnage of about 3.105 million DWT. It means there already is sufficient tonnage for shipping Indonesian export commodities, whose annual total is approximately 5.6 million tons.

Prior to the existence of the cooperation agreement, according to Goetomo, transport of the export commodities from port or origin to Singapore, for instance, took 10 days. Now the time can be shortened to just about 3 or 4 days. Even this is quite costly, especially with freight rates as they

are. Thus, now that the agreement is signed, transport or export goods from port or origin to pooling (transit) port is carried out by the interisland shipping fleet. From transit port to country of destination shipping is continued by the ocean fleet, and freight rates which were the responsibility of the interisland element become that of the ocean shipping element.

Goetomo also said that Pertamina [State Oil and Natural Gas Co] has counter-balanced this policy by reducing oil bunker tariffs for ships to the same level as tariffs set by Singapore.

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CSO: 4213/55

KALIMANTAN COAL DEVELOPMENT CONTRACT SIGNED

Jakarta KOMPAS in Indonesian 10 Apr 82 p 2

[Text] PN Tambang Batubara [State Coal Mining Co] and PT Kaltim Prima Coal [East Kalimantan Prima Coal Co], in a joint undertaking with CRA Limited Australia and British Petroleum Inggeris, signed a cooperation contract for the development of coal mining in a region of approximately 790,000 ha in East Kalimantan. The agreement was signed at the Department of Mining and Energy and was witnessed by Minister Subroto. It was signed respectively by Ir Achmad Prijono (chief director of PN Tambang Batubara), Nugroho (representing CRA Limited Australia) and Theo M. Van Leewen (representing British Petroleum Inggeris).

The agreement will be in effect 30 years from the start of operations. The contractors are entitled to conduct a general survey of the region for 1 year and explorations for 3 years. Also, they are given the right to carry out feasibility studies in a 1-year period and construction over a 3-year period after government approval. Only then can they engage in production activities.

As with previous cooperation contracts, in this agreement it is stipulated that the contractors will gradually narrow down the region, until the area that has proven coal deposits which are maintained is at most 25 percent of the area in the initial agreement. Contractors are required to surrender in kind 13.5 percent of their coal production to PN Tambang Batubara as a substitute for exploration and exploitation fees. Moreover, they are to fulfill the requirement to pay taxes and meet other obligations.

Minister Subroto explained that the signing of the cooperation contract was in the effort to support energy diversification in Indonesia. Until now Indonesian energy has largely been dependent upon petroleum. Other sources of energy like natural gas, hydraulic power and coal are still little used.

Nevertheless, Subroto said, in the next 10 years use of other energy sources will be increased so that oil can be conserved for a longer period of time. Whereas in 1980 use of natural gas was only 16.28 percent of national energy consumption, in 1990 it will be 20 percent. Hydraulic power will rise from 2.98 percent to 6.5 percent; coal from 0.5 to 11.24 percent. At that time also, use of geothermal energy will be about 1.8 percent. Management of this energy source has just begun to be pioneered in Indonesia.

With the use of avrious sources of energy, it is hoped the role of oil can be reduced to about 60 percent by 1990. Current oil requirements are still estimated to cover 80 percent of national energy requirements.

We need time, high technology and funds, said Subroto. In order to obtain a picture of coal requirements, he said current Indonesian production is 350,000 tons per year. When adjusted to planned requirements in 1990, it means about 17 million tons of coal will be needed at that time. That amount will be reached through cooperation with the contractors which develop the coal in East Kalimantan and Bukit Asam.

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CSO: 4213/55

OIL EXPLORATION FUNDS LESS THAN REQUESTED

Jakarta KOMPAS in Indonesian 14 Apr 82 p 2

[Excerpt] Yoshiro Hirai, general manager of INOCO (Indonesian Nippon Oil Cooperation Co Ltd), said that the amount of additional funds for helping Pertamina [State Oil and Natural Gas Co] conduct future explorations is to be determined mainly by the success of oil wells bored up till now. The reason for this is that these funds constitute high-risk assistance, which can simply vanish if wells bored with that financing do not produce oil. Hirai made this point in response to a question by KOMPAS at his office Monday.

INOCO-Pertamina cooperation was initiated in 1979, INOCO acting as the supplier of funds and Pertamina as manager of operations. INOCO, of which 60 percent of its stock is owned by the Japanese national oil company (JNOC) and the other 40 percent by private business circles, earmarked \$160 million as initial assistance to Pertamina to conduct oil explorations.

According to the two-party agreement, if explorations did not result in the discovery of oil or natural gas, Pertamina would be free from obligation to return the loan. But if they did succeed, 40 percent of production would be sold to Japan for repayment of the loan.

After 2 and $\frac{1}{2}$ years, operations carried out by Pertamina with the aforementioned assistance began to give results. Among other places, oil was discovered in Pantai Pakam, Polonia, and North and South Cilamaya. Oil and natural gas were discovered in Lembak, South Sumatra. But to date boring operations conducted in East Kalimantan have not been successful.

According to Hirai, Pertamina actually proposed a new work program for the next 4 years with \$500 million in additional assistance. The funds would be for development and confirmation of past exploratory wells and for conducting new explorations. Nevertheless, in a meeting between INOCO, JNOC and Pertamina last February, an additional of only \$88.1 million was approved. These funds are mainly for boring delineated wells in fiscal year 1982-83.

Hirai considers boring operations which have been conducted to date as quite successful. But to learn whether or not the wells will be economical still needs further study. For that reason the \$88.1 million in additional assistance was agreed upon for boring delineated wells.

Further assistance, he said, will be based on the results of these follow-up explorations. If the results are economical, certainly stockholders will be attracted, and it will be easy to obtain additional funds to conduct further explorations. If not, surely the desire to provide assistance will be reduced, because the money will have been lost to no purpose.

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CSO: 4213/55

INDONESIA

BREIFS

DUTCH LOAN FOR DREDGES--The Indonesian and Dutch governments signed an \$11 million loan agreement in Jakarta Tuesday for the purchase of two dredging vessels and financing for consultant services. The agreement was signed respectively by Drs Sugito Sastromidjojo, director general of monetary affairs, representing the Indonesian government, and Van Gorkom, Dutch ambassador to Indonesia, representing the Dutch government. According to the Dutch mission in Jakarta, the two dredges, having a capacity of 1,000 cubic meters and 2,900 cubic meters respectively, will be used in a dredging project for the Directorate General of Sea Communications, Department of Communications. The dredging vessels will be constructed at the IHC [expansion unknown] drydock in the Netherlands and will arrive in Indonesia in June, 1983. The cost of the two vessels is about \$33 million, which will be financed by an \$11 million Dutch government loan, an \$18 million commercial loan, and a \$3 million grant. The \$11 million Dutch government loan is given for a 15-year term at 2.5 percent interest with a 5-year grace period. [Text] [Jakarta HARIAN UMUM AB in Indonesian 22 Apr 82 pp 1, 2] 9792

CSO: 4213/54

SIEM REAP-ODDAR MEANCHEY FORCES HOLD REVIEW MEETING

BK181304 Phnom Penh SPK in French 0402 GMT 18 Jun 82

[Text] Phnom Penh, 18 Jun (SPK)--During the past dry season, the people's revolutionary armed forces of Siem Reap-Oddar Meanchey Province, 250 km northwest of Phnom Penh, achieved remarkable successes.

At a recent view meeting, the provincial military commander said that for a period of 6 months ending 15 May, the province regional forces launched two operations during which they killed 245 enemy soldiers and took 497 prisoners. They also seized 514 Chinese and U.S.-made weapons, 29 mines and other types of ammunition and food supplies.

The agitation and persuasion campaign among the Pol Pot remnants paid off: among other things, 82 men from the enemy's rank turned themselves in to the revolutionary power, bringing with them 23 rifles, 2 mines, a grenade and a large amount of ammunition.

Units in different localities organized many meetings to explain the party's policy to more than 250,000 people of different social backgrounds. In close cooperation with their Vietnamese comrades and the population, the combatants of the Siem Reap Regional Forces participated in particular in the building of defensive works.

They also filled in 145 km of roads suitable for vehicles, built 135 km of roads and repaired 21 bridges.

The security forces of the province also achieved many successes. In Preah Dak Commune, Banteay Srei District, the militia members captured 32 enemy elements.

Confident in the revolution, the people wholeheartedly helped the combatants in the transport of supplies and ammunition, provided information on enemy elements in disguise and took part in the agitation work among the enemy and in the maintenance of security. They also play an important role in encouraging men to join the army.

CSO: 4200/48

CHEA SIM GREETES ARMY SOLIDARITY DAY

BK240931 Phnom Penh SPK in French 1443 GMT 23 Jun 82

[Text] Phnom Penh, 23 June (SPK)--On the occasion of the Army-People Solidarity Day (19 June), Chea Sim, member of the KPRP Central Committee Political Bureau and chairman of the national assembly and of the KUFNCD National Council, sent his congratulations to Kampuchean combatants.

Chairman Chea Sim said in his message:

Continuing the combat traditions of the heroic Issarak Army, animated by patriotism and strengthened by the strategic Kampuchea-Vietnam-Laos alliance, the children of the land of Angkor got rid of French colonialism and U.S. imperialism and, in particular, liberated the country from the claws of the genocidal Pol Pot-Ieng Sary-Khieu Samphan regime--lackey of Beijing expansionism-hegemonism--in the 7 January 1979 final victory.

Today our country has recovered genuine independence and freedom. Our people have taken their destiny into their own hands and actively contribute to the country's defence, reconstruction and economic rehabilitation which is making rapid progress. The KPRAF hold aloft the banner of struggle and sacrifice to maintain stability and to wipe out the remnants of Pol Pot-Ieng Sary-Khieu Samphan Army, and have won victories.

These great successes are due to the clear-sighted leadership of the party, the front and the government. They are also due to the Army-People Solidarity which is animated by proletarian and scientific internationalism, and to the aid and support of fraternal socialist countries, in particular Vietnam, Laos and the USSR, and other organizations and progressive movements of the world.

I respectfully bow to the memory of those who died for the just cause of the nation and people. I wish the KPRAF cadres and combatants and the fallen combatants' families good health and great successes in carrying out the tasks assigned them by the party.

CSO: 4200/48

SPK REPORTS FIGURES ON POL POT SEREIKA RETURNEES

BK191438 Phnom Penh SPK in French 0424 GMT 19 Jun 82

[Text] Phnom Penh, 18 Jun (SPK)--According to incomplete figures, during the 6 months ending in April, 1,545 Pol Pot and Sereika elements surrendered and more than 4,640 others presented themselves to the people's revolutionary power.

Aware of the importance played by agitation work among the misled people, the authorities at all levels, the armed forces and the population accorded the returnees lenient and humanitarian treatment.

Siem Reap Province came first, having received during this time period of 670 members of the enemy's ranks who had surrendered, 3,000 who had presented themselves to the people's power and 588 weapons they had brought along with them. It was followed by Battambang Province which succeeded in persuading 171 Pol Pot and Sereika elements to return from Thailand.

Many of them, increasingly aware of the stability of life, have volunteered to go into the forests and the regions bordering Thailand to persuade their relatives or former comrades to rejoin their families. Mass desertions in the enemy ranks are on the increase. During the past 6 months, a Sereika company and two companies and a platoon of Pol Pot remnants rallied to the cause of the people, bringing along many weapons. In Chikreng District, Siem Reap Province, the revolutionary authorities accepted the coming over of a Pol Pot platoon with all of its armament. The returnees helped the local authorities unmask enemy agents who had mingled with the population.

The returnees confessed that they had misunderstood the revolution, and that they had been led astray by the misleading propaganda of their superiors when they were in Thailand. They are now convinced of the indulgent and humanitarian policy of the revolutionary power toward misled people and their confidence is growing progressively as they live within the population. They have been given assistance and amenities so that they can stabilize their lives and make their contribution to the construction of the country.

CSO: 4200/49

KAMPUCHEA

BOU THANG RECEIVES GREETINGS FROM GDR'S HOFFMANN

BK250824 Phnom Penh SPK in French 1439 GMT 24 Jun 82

[Text] Phnom Penh, 24 Jun (SPK)--On the occasion of the traditional day of the armed forces (19 June), General Heinz Hoffmann, member of the Socialist Unity Party of Germany [SED] central committee politburo and minister of national defense, sent his felicitations to Bou Thang, member of the KPRP Central Committee Political Bureau, vice chairman of the council of ministers and minister of defense.

In his message, Heinz Hoffmann said:

The National People's Army of the GDR closely follows the Kampuchean people and People's Revolutionary Army's heroic struggle against imperialism, hegemonism and the counterrevolutionaries in defense of the fatherland.

We wish the combatants of the Kampuchean People's Revolutionary Army new and greater successes in developing their forces and in building a socialist Kampuchea.

General Fretz Streletz, deputy minister of national defense of the GDR, also congratulated Soy Keo, deputy minister of defense and chief of the KPRAF general staff.

CSO: 4200/48

KAMPUCHEA

HENG SAMRIN GREETES MADAGASCAR INDEPENDENCE DAY

BK250905 Phnom Peny SPK in French 0438 GMT 25 Jun 82

[Text] Phnom Penh, 25 Jun (SPK)--On the occasion of the 22d anniversary of the independence day and the 7th anniversary of the socialist revolution of Madagascar, Chairman of the Council of State Heng Samrin, general secretary of the KPRP, sent his warm greetings to Didier Ratsiraka, president of the democratic republic of Madagascar. In a message, Chairman Heng Samrin said:

We highly appreciate the important successes won by the fraternal Malagasy people in the tireless struggle in the defense of their national independence and construction.

We are convinced that under your leadership, Madagascar will achieve greater successes for a promising future of the Malagasy people.

Chairman Heng Samrin wished that the bonds of friendship, solidarity and co-operation between the two peoples and governments could further strengthen with every passing day in the interests of the two countries and for peace and security in the Indian Ocean and the world.

On this occasion, Minister of Foreign Affairs Hun Sen also sent a greetings message to his Malagasy counterpart Christian Remi.

CSO: 4200/48

HENG SAMRIN MESSAGE TO ZHIVKOV ON DIMITROV ANNIVERSARY

BK181300 Phnom Penh SPK in French 0408 GMT 18 Jun 82

[Text] Phnom Penh, 18 Jun (SPK)--On the occasion of the 100th birthday of Georgi Dimitrov, Heng Samrin, general secretary of the KPRP Central Committee and chairman of the council of state, sent his "warmest congratulations" to Todor Zhivkov, general secretary of the Bulgarian Communist Party [BCP] Central Committee and chairman of the State Council of the People's Republic of Bulgaria.

In his message, Chairman Heng Samrin said:

On this occasion we commemorate with the BCP and the fraternal Bulgarian people the birthday of this eminent member of the BCP. Always faithful to the cause of the proletarian class and ready to sacrifice himself for the success and progress of mankind, he led a long struggle to liberate the people from the domination of the bourgeois class and to create a new social order. Georgi Dimitrov, whose life was rich with undaunted struggles against imperialism and war in favor of the working class, deserved the respect and affection of the Bulgarian people and other peace and progress-loving peoples all over the world.

The life, thought and works of this great hero of the working class are for us, revolutionaries eager to build socialism, an imperishable wealth. The magnificent achievements of the Bulgarian people today in building developed socialism are the result of persistent and devoted efforts in the right direction of their party veteran and your clear-sightedness.

I am firmly convinced that the noble legacy of the BCP eminent militant, Georgi Dimitrov, and the tireless implementation of your delicate task as a good successor constitute a firm basis for new successes in the coming years and will make Bulgaria a developed socialist country in order to further strengthen its internationalist peace mission.

CSO: 4200/48

'SPK' REPORTS CHEA SIM SPEECH AT DIMITROV CONFERENCE

BK231520 Phnom Penh SPK in French 0424 GMT 22 Jun 82

[Text] Phnom Penh, 22 Jun (SPK)--It is undeniable that the name and the work of Georgi Dimitrov remain immortal and that they have become the symbol of absolute devotion to the cause of the working class, for which he is a model militant, and of the intransigent struggle against facism and imperialism, affirmed Chea Sim, member of the KPRP Central Committee Political Bureau and chairman of the national assembly.

Talking at the Theoretical International Conference "Georgi Dimitrov and our contemporary epoch," Chea Sim, who led a Kampuchean delegation, emphasized that the conference has the duty to put forward the precepts of one who was a loyal disciple and continuator of Marxist-Leninist ideas, who sacrificed his whole life to the cause of the struggle against fascism and imperialism and who worked to defend world peace. He continued:

Since the 1930's, G. Dimitrov proved that the way leading to victory in the struggle against fascism and imperialism is the coordination of actions of all progressive and pacific forces and masses. He considered the defense of peace closely linked with solidarity with and support for the peaceful external policy of the USSR--the first socialist state in the world. The dangerous situation which presently prevails in the world, British aggression against the Malvinas Islands and the fascist armed aggression of Israel against Lebanon as well as the peace plan for the 1980's of the Soviet Union, peace initiatives put forward successively by Comrade L. Brezhnev, general secretary of the CPSU Central Committee, for detente and safeguarding world peace, confirm the correctness and actual value of G. Dimitrov's theses.

His concepts related to the antifascist and anti-imperialist united front, to the alliance of struggle for democracy and socialism, to the alliance of workers and peasants, to patriotism and proletarian internationalism and to the role of the Soviet Union as the bulwark and base of the socialist revolution, exert a particular influence on the victory of the world revolutionary movement.

Loyal to the line defined by G. Dimitrov, the Bulgarian Communist Party, led by Comrade Todor Zhivkov, is the vanguard of the Bulgarian people in

their persevering efforts to build an advanced socialist society in Bulgaria and to force an alliance with progressive forces in the world for the maintenance of durable peace in the Balkan region and in the world, for the promotion of democracy, and freedom and social progress for all mankind, remarkable economic and social realizations were noted at present in all fields, which have transformed Bulgaria formerly a backward agricultural country in Europe, into a modern developed socialist country. Socialism has triumphed in Bulgaria. The Bulgarian people have every reason to be proud--as we are all proud--of G. Dimitrov's heritage which is a source of inspiration and an experience for our party and people who are engaging in the step-by-step reconstruction of our country step by step toward genuine socialism.

Due to the proletarian internationalist cooperation with the fraternal Vietnamese people, the Kampuchean people toppled the genocidal Pol Pot-Ieng Sary-Khieu Samphan regime on 7 January 1979 and are transforming their marvelous Angkor fatherland into a new proletarian state which is the People's Republic of Kampuchea.

In their difficult task of national reconstruction from the ashes of the criminal Pol Pot regime, our people have benefited from aid and assistance of the parties and peoples of fraternal socialist countries--Vietnam, Laos, the Soviet Union and other socialist countries--as well as of peace and justice-loving peoples in the world.

Our people's life has already been stabilized and is improving everyday. All sectors of the economic life have been restored. Agricultural work, like that of industry, has begun again and production has increased from year to year. Public health, education and national culture are developing everywhere in the country to satisfy the needs of the people. More than 1.5 million students are attending schools. The people's power, supported by the people, is consolidating itself at all levels from the central to the low level.

Chea Sim denounced the undermining maneuvers of the U.S. imperialists, the Beijing expansionists and their reactionary allies in southeast Asia against the Kampuchean revolution and the Kampuchean people's revival. They resorted to machiavellian maneuvers to revive the political corpse of the so-called "Democratic Kampuchea," to maintain it at the United Nations with the hope of restoring these genocidal criminals to power in Kampuchea one day. At present, the imperialist and reactionary circles are exerting efforts to create an alleged "coalition government" of the traitors to the nation--such as Sihanouk, Son Sann and Khieu Samphan--to dupe public opinion with the intention of dominating the region through their lackeys installed in Kampuchea. Their efforts are in vain. Conversely, the situation in the People's Republic of Kampuchea is improving every day.

Following the example of G. Dimitrov, the KPRP, the Kampuchean Government and people are not relaxing our efforts to reinforce the militant solidarity and multifaceted cooperation with all socialist countries like Vietnam, Laos,

the USSR, the People's Republic of Bulgaria, national liberation movements and progressive and pacific forces in the world to form a genuine anti-imperialist front. The signing 2 years ago of a treaty of friendship and cooperation between the PRK and the People's Republic of Bulgaria--a document marked by the proletarian internationalist spirit--favored the rapid development of our relations and the conclusion of other fruitful accords of cooperation between our two countries. Since the liberation of our country, the People's Republic of Bulgaria has provided our people with generous assistance and active support at all international forums.

Our people sincerely enjoy seeing the relations of friendship, militant solidarity and close cooperation between our two countries continuously developing and are determined to reinforce them further in the interests of our two peoples as well as of the socialist community, Chea Sim declared.

CSO: 4200/48

KAMPUCHEA

HENG SAMRIN GREETES MOZAMBIQUE PRESIDENT ON NATIONAL DAY

BK250835 Phnom Penh SPK in French 0430 GMT 25 Jun 82

[Text] Phnom Penh, 25 Jun (SPK)--On the occasion of the 20th anniversary of the Mozambique Liberation Front (FRELIMO) and the 7th anniversary of the proclamation of independence by the People's Republic of Mozambique, Heng Samrin, general secretary of the KPRP Central Committee and chairman of the council of state, sent his greetings to Samora Moises Machel, chairman of the FRELIMO Party and president of the People's Republic of Mozambique.

The Kampuchean Government and people, Heng Samrin said in his message, heartily rejoice over the successes won by the heroic Mozambique people under the just leadership of the FRELIMO Party with you at the head in the struggle against colonialism, imperialism, expansionism, hegemonism, racism and apartheid for independence and socialist construction in Mozambique, contributing to the defense of peace in the region and the world.

We are convinced that the Mozambique people will achieve new successes in the construction of a progressive and prosperous Mozambique. The Kampuchean people highly appreciate your support for our just struggle.

We hope that the bonds of friendship, militant solidarity and cooperation between our two countries and peoples will be further strengthened.

On the same occasion, Foreign Minister Hun Sen also congratulated his Mozambique counterpart Joaquin Alberto Chhissano.

CSO: 4200/49

PUBLIC HEALTH SOURCES SAY POPULATION GROWTH IS 5.24 PERCENT

Bangkok BAN MUANG in Thai 6 Apr 82 p 3

[Text] The Dpeth News Office of the Asian Newspaper Foundation has just received a report on the condition of the population of Kampuchea. Kampuchea is now falling into a "baby boom," experiencing one of the highest birth rates in the world.

During the past 10 years the population of Kampuchea fell from 7 million to only 2 million because of war, starvation, lack of medicines, and emigration to take refuge in other countries.

The Kampuchean Ministry of Public Health has made a survey of population growth and found that during the first 9 months of last year the birth rate was equivalent to 5.5 percent while the death rate was only 0.26 percent, making a rate of gain of 5.24 percent.

According to the Ministry's report the survey was confined to four neighborhoods with a total population of 11,500. These neighborhoods were in Phnom Penh and nearby provinces.

Although Kampuchea has no reliable statistics on population growth throughout the country, these figures suggest that Kampuchea is presently experiencing a baby boom.

Mr Ieng Sarun, director of the Institute for Women's and Children's Health at Phnom Penh, estimates that the national birth rate last year was 4.8 percent. An international relief agency official who traveled to 12 provinces in Kampuchea about 6 months ago said that he saw children and clutter in almost every house he visited.

In Kampongthom province Dr Woey Kim Pow, director of the local hospital, expressed the opinion that since the birth rate had risen and the death rate had fallen, the rate of population growth would be even higher this year.

Dr Poe is one of the very few Kampuchean physicians who escaped with their lives from the civil war and the Khmer Rouge revolution in the years 1975-1979. He and his wife and six children were forced to travel from Phnom Penh to work in a rural commune. At that time there were millions of people in the

situation. Kampucheans who had education or any expert knowledge were killed in great numbers during the Khmer Rouge era. Dr Poe recounted how his like was saved because he hid his identification card, which revealed that he was a doctor, and threw away his eyeglasses, because the Khmer Rouge believed that eyeglasses were a sign of the intelligentsia.

Dr Poe said; "You can't understand why the Kampucheans are having so many children now if you don't know what life was like under the Khmer Rouge. At that time many husbands and their wives and families were separated from one another. Men went to one place, women and children to another. Moreover they lacked food and suffered much psychological oppression, to the point that men didn't feel much like having intercourse with their wives when they were together. An important thing was, Why have children when you didn't know what your own future would be? And there were no doctors, no medicines, But now we have food and better public health measures, and freedom to live in families. lthough my oldest son has only been married 1 year he already has a child. For these reasons Kampucheans are having lots of children these days."

There is still another reason believed to be a factor in the high birth rate in Kampuchea. Because the country is developing every aspect of the economy, confidence has been restored that to have a big family will be good insurance of the future. Children, especially boys, will be valuable to the family because they increase its labor power and will be able to provide for their parents' old age.

Nevertheless the high rate of population increase will be a problem and will lead to other problems, such as producing enough food, maintaining good health and providing education.

9943

CSO: 4207/104

BRIEFS

BOU THONG RECEIVES HUN SEN DELEGATION ON ARMY DAY--Phnom Penh, 21 Jun (SPK)--On the occasion of Revolutionary Armed Forces Day, a delegation led by Hun Sen, member of the KRPR Central Committee Political Bureau, vice chairman of the council of ministers and minister of foreign affairs, visited cadres and combatants of the defense ministry on Saturday, 19 June. Representatives from various departments were warmly received by Bou Thang, member of the political bureau, vice chairman of the council of ministers and minister of defense. In the afternoon, the delegation visited the armed forces exhibition which includes photos, primitive weapons of the Issarak Army and materiel seized from Pol Pot elements and other reactionaries. [Text] [BK230957 Phnom Penn SPK in French 0400 GMT 21 Jun 82]

CHAN SI ATTENDS KUFNCD ARMY DAY RECEPTION--Phnom Penh, 20 Jun (SPK)--The KUFNCD hosted a solemn reception to mark "Army-People Solidarity Day" (19 June). Attending the reception were: Chan Si, member of the KPRP Central Committee Political Bureau and chairman of the council of ministers; Bou Thang, member of the political bureau, vice chairman of the council of ministers and minister of national defense; Hun Sen, member of the political bureau, vice chairman of the council of ministries and minister of foreign affairs; and other personalities. Members of the diplomatic corps and Vietnamese experts were also present. The evening ended with shows performed by the armed forces art troupe. [Text] [BK201524 Phnom Penh SPK in French 0405 GMT 20 Jun 82]

RAUL CASTRO GREETES BOU THANG ON KPRAF ANNIVERSARY--Phnom Penh, 20 Jun (SPK)--On the occasion of the 31st anniversary of the KPRAF traditional festival, General Raul Castro Ruz, minister of the revolutionary armed forces of Cuba, sent his "fraternal congratulations" to Bou Thang, member of the KPRP Central Committee Political Bureau and minister of national defense. General Raul Castro Ruz wished the Kampuchean combatants "more and greater successes in carrying out their many tasks to defend the revolutionary gains of the heroic Kampuchean people." On the case occasion, Division General Ulises Rosales del Toro sent his congratulations to Soy Keo, deputy minister of defense and chief of the KPRAF general staff. [Text] [BK201648 Phnom Penh SPK in French 0407 GMT 20 Jun 82]

LEADERS LAY WREATH TO MARK ARMY SOLIDARITY DAY--Phnom Penh, 19 Jun (SPK)--A delegation of the Kampuchean leaders laid a wreath this morning at the martyr

monument in Phnom Penh on the occasion of the "Army-People Solidarity Day." Among the leaders were Chan Si, member of the KPRP Central Committee Political Bureau and chairman of the council of ministers; Bou Thang, member of the political bureau, vice chairman of the council of ministers and minister of national defense; Hun Sen, member of the political bureau, vice chairman of the council of ministers and minister of foreign affairs; Mat Ly, member of the central committee, vice chairman of the national assembly and vice chairman of the KUFNCD National Council; and superior Bonze Tep Vong, vice chairman of the national assembly and vice chairman of the front. [Text] [BK191405 Phnom Penh SPK in French 0406 GMT 19 Jun 82]

BOU THONG GREETES BULGARIAN FRONT ON DIMITROV CENTENNIAL--Phnom Penh, 20 Jun (SPK)--On the occasion of the centennial of Georgi Dimitrov, Bou Thang, member of the KPRP Central Committee Political Bureau, vice chairman of the council of ministers and vice chairman of the KUFNCD National Council, sent his warmest congratulations to the fatherland front of Bulgaria. In his message, Bou Thang said: We express our profound gratitude to the national council of the fatherland front and the people of Bulgaria for their firm support for the just struggle of the Kampuchean people against the Beijing expansionist-hegemonists, U.S. imperialists and other international reactionary forces. He wished that the friendly relations of solidarity and close cooperation between the two countries would deepen. [Text] [BK230955 Phnom Penh SPK in French 1436 GMT 20 Jun 82]

HUNGARIAN BUILDING ORPHANAGE--Phnom Penh, 30 May (SPK)--Hungary will build for Kampuchea an orphanage in Kompong Kantuot, 30 km south of Phnom Penh, according to sources in Budapest. The building of this orphanage, to be done by Hungarians, will be completed by 7 January 1984 and will provide room for about 1,000 children to learn sewing, carpentry, mechanics and agricultural techniques. [Text] [BK031033 Phnom Penh SPK in French 1459 GMT 30 May 82 BK]

HUNGARIAN FILM--Phnom Penh, 1 Jun (SPK)--Alfred Almasi, ambassador of Hungary to Kampuchea, handed over seven documentary and cartoon films to Chey Thoeun, head of the organization department of the ministry of information and culture, in Phnom Penh on Monday, 31 May. Hungary is always ready to help Kampuchea in the cultural field in order to strengthen cooperation between the two countries, the Hungarian ambassador said. [Text] [BK031033 Phnom Penh SPK in French 1432 GMT 1 Jun 82 BK]

SRV PRESENTS FILM TO PRK HEALTH MINISTER--Phnom Penh, 4 Jun (SPK)--In Phnom Penh on Wednesday, 2 June, Le Quy, vice chairman of the Vietnam's Radio and Television Committee, handed over a film to Yit Kimseng, minister of health. The film, entitled "Welcome to the Young Girl Botum Kessar," shows the activities of the Kampuchean medical corps. Nguyen Thao, Vietnamese charge d'affaires to Kampuchea, was also present on the occasion. [Text] [BK040942 Phnom Penh SPK in French 0415 GMT 4 Jun 82]

CHEY SAPHON MEETS WITH FRENCH JOURNALIST--Phnom Penh, 13 Jun (SPK)--On Friday, 11 June, Chey Saphon, chairman of the Kampuchean Journalists Association, held talks in Phnom Penh with Jerome Kanapa, French journalist and secretary of the Association for the Development of Relations with Cambodia.

The French journalist said that the General Confederation of French Workers (CGT) and the International Organization of Journalists helped to inform world opinion, and the French public in particular, on the real situation in Kampuchea. The French journalist expressed his desire to see Kampuchean going to study journalism in France and to send French journalists to get information on Kampuchea. In the name of Kampuchean journalists, Chev Saphon thanked journalist Jerome Kanapa for the particular importance that he attributes to the broadening of relations with Kampuchean journalists. He stressed that Kampuchean journalists are always ready to cooperate with their French colleagues as well as with the press organizations of the USSR, the GDR and other fraternal socialist countries which contributed to the restoration of the field of propaganda and information in Kampuchea. [Text] [BK140807 Phnom Penh SPK in French 1430 GMT 13 Jun 82]

HENG SAMRIN SENDS CONDOLENCES TO GDR'S HONECKER--Phnom Penh, 9 Jun (SPK)--Heng Samrin, general secretary of the KPRP Central Committee, has expressed his condolences to Erich Honecker, general secretary of the Socialist Unity Party of Germany [SED], on the death of Albert Norden, member of the SED Central Committee Politburo. Heng Samrin said in his message: With the death of Albert Norden, not only is the flame of a hero of the SED extinguished but also that of an illustrious militant of the international proletariat, socialism and communism. The death of Comrade Albert Norden is a great loss to the Kampuchean people. [Text] BK100922 Phnom Penh SPK in French 1427 GMT 9 Jun 82]

HENG SAMRIN SENDS SYMPATHY MESSAGE TO CASTRO--Phnom Penh, 11 Jun (SPK)--At the news that floods had caused losses of Cuban lives and property, Heng Samrin, chairman of the council of state, today expressed his "sincere regrets" to Fidel Castro, chairman of the Cuban Councils of State and Ministers. In a message of sympathy, Chairman Heng Samrin announced to the Cuban Government and victims his "expression of indestructible friendship." [Text] [BK120946 Phnom Penh SPK in French 1435 GMT 11 Jun 82]

INDIAN MEDICAL AID--Jaswant Rai Sachdev, acting charge d'affaires of India to Kampuchea, handed over medicine and medical instruments--gifts of the Indian people--to Yit Kimseng, Kampuchean minister of public health, in Phnom Penh on Friday, 28 May. Yit Kimseng expressed his profound gratitude to the government and the people of India for their material and moral support to the Kampuchean people. Since the liberation of our country, India has developed its relations with the PRK and granted it a large amount of aid particularly in the field of public health, the minister said. [Text] [BK031033 Phnom Penh SPK in French 1433 GMT 29 May 82 BK]

CSO: 4200/49

UNHCR FIGURES ON INDOCHINESE REFUGEE ARRIVALS

BK171427 Hong Kong AFP in English 1417 GMT 17 Jun 82

[Text] Bangkok, 17 Jun (AFP)--Although the number of Vietnamese boat refugees arriving in southeast Asian camps last month hit a one-year high, the number of refugees resettled in countries of final destination was at an all-time low.

According to figures released here today by the regional office of the United Nations High Commissioner for Refugees (UNHCR), 5,970 arrived in Asian camps in May, while only 6,366 were resettled--the lowest number accepted by third countries since the exodus began in 1979.

The May arrivals in Asian camps were the highest recorded since April, May and June last year when there were more than 10,000 arrivals a month.

All the countries in Asia have recorded a rise in the number of refugee arrivals except Thailand and Malaysia. However, for Malaysia it was the fifth month running that the country received the largest intake--1,521.

Indonesia received 1,351, Hong Kong 942, Singapore 760, Thailand 649, the Philippines 516, Japan 20 and Macau 8.

The UNHCR said the number of boat refugees should remain "at a low level" until September because of the rainy season, which has just started.

Meanwhile, the number of Laotian refugees heading for Thailand dropped to 393 last month, the lowest since the change of regime in Laos in 1975. Since the beginning of this year, Thailand has received 3,368 Laotian refugees. A 70 percent drop compared with 11,407 during the same period last year, the UNHCR said.

At the end of last month, there were 184,704 Indochinese of whom 82,178 were Laotians, in the Thai camps.

CSO: 4220/120

BRIEFS

LAO LEADERS CONVEY SYMPATHY TO CUBAN HURRICANE VICTIMS--Vientiane, 17 Jun (KPL)--Top Lao party and state leaders recently sent a message to Fidel Castro Rus of Cuba to convey sympathy to the victims of natural calamity. Kaysone Phomvihane, general secretary of the executive committee of the Lao People's Revolutionary Party CC and premier of the LAO People's Democratic Republic, and Souphanouvong, president of the LPDR and president of the People's Supreme Assembly said in the message that: Upon learning that the Havana and Pinar del Rio Provinces were ravaged by hurricane, on the behalf of the party government and people, we should like to convey our sympathy to you and through you to all the victims. We are convinced, the message says, that the fraternal heroic Cuban people under the leadership of the Communist Party of Cuba will overcome all difficulties and regain their normal livelihood. [Text] [BK171142 Vientiane KPL in English 0914 GMT 17 Jun 82]

DELEGATIONS RETURNS FROM USSR--Vientiane, 7 Jun (OANA/KPL)--The KPL and daily "Siang Pasason" delegation led by its acting head Chanthi Deuansavan, who is also secretary general of the Lao Journalist Association, on June 5 returned here after more than 20 days of visit to the Soviet Union. During its stay in the USSR, the delegation attended the Conference of Writers for young pioneers and youths, and held discussions with officials of the USSR-Laos Friendship Association. [Text] [BK091235 Vientiane KPL in English 0908 GMT 7 Jun 82 BK] Vientiane, 4 June (OANA/KPL)--A delegation of the news agency and newspaper department, headed by its deputy director, Bounteng Vongsai, was back home from the discussion on the preparation for the 60th anniversary of the foundation of the Union of the Soviet Socialist Republic. The delegation was invited by TASS News Agency. The delegation, during its stay, also met the editorial board of the Soviet KOMMUNIST magazine. [Text] [BK091235 Vientiane KPL in English 0903 GMT 4 Jun 82 BK]

GDR-BUILT BICYCLE REPAIR SHOP--Vientiane, 4 Jun (OANA/KPL)--The fifth bicycle repair shop installed by the GDR has been handed over to the Vientiane City administration on June 2. Similar workshops, also [built with] GDR aid, were previously handed over to the Lao side in Savannakhet and Luang Prabang. The GDR is to install 12 bicycle repair shops for Laos. [Text] [BK091235 Vientiane KPL in English 0904 GMT 4 Jun 82 BK]

VIETNAMESE CULTURAL DELEGATION ARRIVES FOR VISIT--Vientiane, 22 Jun (OANA-KPL)--A cultural delegation of the Socialist Republic of Vietnam led by Deputy-Minister of Culture Le Thanh Cong arrived here yesterday for an official friendship visit. Greeting Le Thanh Cong at the Wattai Airport was Ounheuan Phounsavat, deputy-minister of propaganda, information, culture and tourism. [Text] [BK220958 Vientiane KPL in English 0911 GMT 22 Jun 82]

HEALTH DELEGATION RETURNS FROM VIETNAM--Vientiane, 15 Jun (OANA-KPL)--A delegation of the public health ministry led by its deputy-minister, Prof Vannalet Latsapho, on June 12, arrived here after a 6-day visit to the Socialist Republic of Vietnam. During its stay in the SRV, the Lao delegation signed the 1982 plan for the implementation of health cooperation agreement between Laos and Vietnam. [Text] [BK151055 Vientiane KPL in English 0923 GMT 15 Jun 82]

CULTURAL DELEGATION RETURNS FROM PRAGUE, SSR--Vientiane, 23 Jun (OANA-KPL)--A Lao delegation of culture led by Sissna Sisani, member of the party CC, and minister of propaganda, information, culture and tourism, on 22 June arrived home after attending the ministerial conference on culture in Prague. Sisana Sisan, also took part in the recent international film festival in Tashkent, USSR. [Text] [BK231158 Vientiane KPL in English 0906 GMT 23 Jun 82]

DELEGATION RETURNS FROM INDONESIA--Vientiane, 21 Jun (KPL)--A delegation of the ministry of agriculture, forestry and irrigation led by its Deputy Minister Phamphet Phommavan, on 17 June, returned home from Indonesia after attending the 16th conference of FAO for Asia and the Pacific region. The conference was held in Jakarta from June 1 to 12. [Text] [BK230719 Vientiane KPL in English 0917 GMT 21 Jun 82 BK]

ROAD BRIDGES, CONSTRUCTION IN VIENTIANE--Vientiane, 20 Jun (KPL)--The construction of 22 km out of 60 km long road linking Vientiane and Longsang-Longton Village, Nasaithong District, Vientiane Province was recently completed. The work was done by the Vientiane Municipality Public Works Enterprise. The enterprise, furthermore, also built bridges over Nam Moun, Houai Mouang, Hindon, Houai No, Houai Phang and other rivers on the said road. [Text] [BK230719 Vientiane KPL in English 0903 GMT 20 Jun 82 BK]

NEPALESE AMBASSADOR--Vientiane, 12 Jun (KPL)--The new Nepalese ambassador extraordinary and plenipotentiary to Laos Khadga Jit Baral, on 9 June, paid a courtesy visit to Lao Deputy Minister for Foreign Affairs Khoun Chandeng. Khadga Jit Baral, who, earlier, presented credentials to President Souphanouvong, on this occasion had a cordial and friendly discussion with the Lao deputy foreign minister. Khoun Chandeng congratulated the new ambassador and considered him as prime factor to improve the Lao-Nepalese friendship relations. Ambassador Khadga Jit Baral, thanked the Lao side for hospitality and cooperation reserved for him and pledged to do all he can for the enhancement of Lao-Nepalese relations. [Text] [BK121335 Vientiane KPL in English 0911 GMT 12 Jun 82 BK]

PHILIPPINE NATIONAL DAY FUNCTION--Vientiane, 12 Jun (OANA/KPL)--Ambassador Jose Evangelista held here a reception to mark the 84th anniversary of the proclamation of independence of the Republic of the Philippines. Among those honoured the function which took place in a warm and friendly atmosphere were Ounheuan Phounsavat, acting minister of propaganda, information, culture and tourism and Khoun Chandeng, deputy minister for foreign affairs. [Text] [BK121335 Vientiane KPL in English 0920 GMT 12 Jun 82 BK]

PHOTO EXHIBITION ON DIMITROV--Vientiane, 16 Jun (OANA/KPL)--A photo exhibition marking the 100th birthday of Georgi Dimitrov was held here yesterday by the Laos-Bulgaria Friendship Association [LBFA] in coordination with the Bulgarian Embassy. Present at the opening ceremony were Khamsouk Keola, vice president and general secretary of the People's Supreme Assembly, and vice president of the Lao Front for National Construction; and Kham-Ouan Bouppha, deputy minister of agriculture, forestry and irrigation, and vice president of LBFA; and Zhecho Radunov, Bulgarian ambassador to Laos. The displayed photos depicted the life and deeds of Bulgarian prominent leader G. Dimitrov in his revolutionary and anti-fascist struggle. [Text] [BK171325 Vientiane KPL in English 0920 GMT 16 Jun 82 BK]

CUBA-AIDED DAIRY PROJECT--Vientiane, 17 Jun (KPL/OANA)--About 95 percent of the construction work of the dairy farm, 30 kilometers northeast of Vientiane, has been completed. This project is under the supervision of Cuban experts. Upon completion, the Cuban Government will provide 130 head of milch-cows to the farm. Some 252 hectares of land had been cleared for plantation of various kinds of fodder. [Text] [BK171325 Vientiane KPL in English 0921 GMT 17 Jun 82 BK]

BRICK FACTORY FOR LAOS--Hanoi, 21 May (VNA)--A ceremony was held in Saravane Province southern Laos, to hand over a Vietnamese-built brickworks to the province, VNA correspondent in Laos reports. Construction of this five million-brick-a-year factory started in 1981 with the assistance of Quang Nam-Danang Province in central Vietnam. This is the second biggest brickworks of Laos built with Vietnamese assistance. The first is in Vientiane. [Text] [OW241311 Hanoi VNA in English 1517 GMT 21 May 82 OW]

VIETNAMESE EXPERTS DELEGATION ARRIVES--Vientiane, 16 Jun (OANA/KPL)--A delegation of Vietnamese experts who used to help Laos during the national democratic struggle led by Le Van Hien, arrived here on 14 June at the invitation of the party secretariat. Welcoming the delegation at the airport were Col Gen Saman Vi-Gnaket, member of the secretariat of the Party Central Committee, deputy minister of Defense, head of the political department of the Lao People's Liberation Army; and Vietnamese Ambassador to Laos Nguyen Xuan. [Text] [BK161041 Vientiane KPL in English 0923 GMT 16 Jun 82]

PHOUMI VONGVICHIT PRESENTS MUSICAL INSTRUMENTS--Birnyisnr, 13 Jun (OANA/KPL)--Deputy Prime Minister and Minister for Education, Sports and Religious Affairs Phoumi Vongvichit, this morning presented musical instruments to Ounheuan Phounsavat, acting minister for propaganda, information, culture and tourism. Addressing the occasion which was participated by a number of well-known artists, Phoumi Vongvichit raised the point that artistic work must contain patriotic and scientific elements and ought to serve the mass. Phoumi Vongvichit also talked of the contribution of this social activity in mobilizing and forming cooperative citizens. [Text] [BK121049 Vientiane KPL in English 0921 GMT 12 Jun 82]

CSO: 4220/102

'DEFENSE OUR FOREMOST NEED'--ZIA

Karachi DAWN in English 22 Jun 82 p 1

[Text]

ISLAMABAD, June 21: President Gen Mohammad Zia-ul-Haq declared today that while Pakistan firmly believed in promoting international relations on the basis of mutually beneficial friendship and respect for national sovereignty, its foremost national, religious and political need was the defence of its ideological and geographical frontiers.

The President, who was addressing the Majlis-i-Shoora which is currently discussing the Budget for the fiscal year 1983, referred to higher allocation for defence in the Federal Budget. But, he said, this increase (Rs. 2500 million) for defence expenditure during the next year would, in fact, be equal to the current year's expenditure after accounting for inflationary trends and higher prices.

He said his statement about no appreciable increase in defence allocation might disappoint some members, but he gave an assurance that national defence was the Government's paramount duty and no sacrifice was too great for it.

He declared: "I assure the nation on behalf of the Government and on my own behalf that the arrangements made for solidarity, security and defence of Pakistan are strong. There is no room for any concern about the defence of Pakistan."

The President referred to the need to strike balance in meeting the expenditure for defence and carrying out national development and said the government exercised moderation in providing for these two sectors.

ISLAMIC NATIONS URGED TO UNITE MILITARILY

Islamabad THE MUSLIM in English 21 Jun 82 p 4

[Editorial: "Islamic Liberation Army"]

[Text]

Almost a fortnight has elapsed since the pre-meditated Israeli invasion of Lebanon which has not only violated the sovereignty and territorial integrity of an independent state and made a mockery of the UN Charter and international law but has also brought massive and widespread death and destruction in its wake. The inhuman savagery unleashed by the Zionist aggressors on the Lebanese and Palestinian nations has, regrettably so far still not evoked a befitting response from the Muslim World which, avowedly espouses the just cause of the Palestinian people. On the other hand the Muslim nation appears to have been immobilised into the passive role of a helpless spectator while the unrelenting massacre of thousands of Muslim men, women and children continues unabated. It is indeed tragic that even those Muslim countries which have been in the forefront of championing the Palestinian cause in international fora, have been able to do little else than pay mere lip service to it while Palestinian nationhood is threatened and the people are being systematically decimated by the terrorists of the Irgun Party ruling the roost in Tel Aviv. The tabling and drafting of resolutions in the Security Council by Muslim countries cannot be viewed as their having fulfilled their sacred and moral duty to help their Palestinian and Lebanese brethren. What is needed is not only moral support but concrete military help— a commitment of troops to the battlefield to help the beleaguered Palestinians and Lebanese to withstand the onslaught of the Israeli forces which are backed by the resources of its Super Power ally—the United States.

The Palestinian Leader Yasser Arafat has pledged to fight to the last man. He has cited the example of Karbala. One wonders whether the analogy springs from a feeling of isolation, of having no one else to support him except his own community. If it does, it is indeed a sad day for the Muslims, and a disgrace for the Ummah. One only hopes that Mr. Arafat is referring to the spirit of courage and sacrifice of Karbala. The valiant stand of the sons of Palestine against a strong oppressor is reminiscent of the timeless and inspiring heroism and chivalry displayed by the grandsons of the Holy Prophet (PBUH) and the sons of Ali on the battlefield centuries ago.

Now is the time for all those who consider themselves to be the bastions and pillars of Islam to come forth against tyranny once more. It is in this spirit that Imam Khomeini has called upon all the Muslims to prevent the fall of Beirut and has declared the liberation of the Baitul Muqadas as a foremost objective of the Iranian War effort. The order of battle of the Islamic revolutionary Government in Iran states unequivocally that the troops shall not return to their barracks until recovery of the lost Iranian territory and the re-taking of the Baitul Muqadas have not been effected. Following the valour of the early soldiers of Islam at Karbala and on numerous battlegrounds throughout history and drawing upon the example of Iran which is not depending on any support from the Super Powers, the Islamic nations should consider pooling all their resources in manpower and military hardware to confront the aggressor in the name of Allah. Jihad against tyranny and oppression is an article of faith for every Muslim enjoined upon all those who acknowledge Allah and is considered to be the ultimate service to him. Narrow and transient worldly interests should be eschewed in the larger interest. The call given by the Islamic revolutionary Government of Iran needs an immediate response for a day lost may mean abandonment of a righteous cause for all times to come.

CSO: 4220/96

RETHINKING ON ISLAMIZATION ANALYZED

London ARABIA THE ISLAMIC WORLD REVIEW in English Jun 82 pp 14-16

[Article by Javed Ansari]

[Text]

☉ In June 1977, when General Muhammad Zia ul Haq assumed power as Pakistan's head of state, the movement for Islamisation had won popular support in all of Pakistan's major cities. The strength of this movement did not abate with the military's seizure of power. In the early days of military rule the Islamic forces succeeded in retaining massive support in Pakistan. The political strategists of the new administration had no alternative but to seek accommodation with the popular Islamic parties.

This accommodation was worked out by committing the government to a policy of 'gradual Islamisation reforms' in line with some of the proposals of the Islamic parties. As political estrangement between the military government and Bhutto's People's Party increased, the emphasis on Islamisation became more pronounced. From 1979 onwards the Islamisation programme has been presented as a vehicle for preparing the country for the transition to democracy. This programme has also sometimes become a means for undermining the political legitimacy of the Islamic parties of Pakistan.

President Zia, a man of deep religious convictions, has put his heart and soul behind the Islamisation initiatives. In almost every speech since June 1977, Zia has reiterated his commitment to Islamic ideology and exhorted the people to remould their lives in accordance with Islamic teachings. During a recent trip to Pakistan I gained the impression that Zia's enthusiasm was not shared by all the top brass within the country's bureaucratic establishment.

Since 1978 the Islamisation programme has proceeded at three levels. Priority has been given to the task of Islamising the legal system.

In December 1978 a presidential ordinance established five shariah benches attached to the four provincial courts and to the Supreme Court of Pakistan. In May 1980 the four provincial benches and the appellate shariah bench at the Supreme Court were replaced by a federal shariah court composed of five 'secular' judges and three ulema. This court can, on the petition of a citizen of Pakistan or of the government, give judgement as to whether a law is repugnant to Islam and to suggest appropriate amendments. The federal shariah court does not have the authority to give judgement on the status of Muslim personal law, the law of procedure and tribunals, the constitution of the republic, fiscal laws, or laws relating to banking and insurance.

Relatively greater progress has been made in the Islamisation of the Pakistan penal code. In 1979, a series of ordinances was promulgated amending existing laws relating to the offences of theft, adultery, false accusation of adultery and alcoholic consumption. The Council on Islamic Ideology (CII) has put forward recommendations for promulgating a law of pre-emption, a law of gusas (the acceptance of blood money) and a law of evidence (shahadah). The government has yet to act on these recommendations.

The government has also sponsored a series of initiatives to Islamise the economic life of the country. In 1980 the laws relating to wealth tax, income tax and land revenue were amended to provide for the collection of zakat. The government has been empowered to make deductions at source at the rate of 2½ per cent from bank deposits, company shares, insurance policies and so on held by Sunni Muslim citizens of Pakistan. An elaborate administrative structure for the collection and disburse-

ment of zakat, with federal, provincial and local zakat committees (these latter numbering 32,000) has been established. The same law also provided for the collection of al-ushr, but the implementation of this section of the law has been indefinitely postponed.

Measures have also been taken to create an 'interest free' sphere within the national economy. From July 1979 house-building loans were exempted from interest charges. Some public sector investment institutions – such as the National Investment Trust and the Investment Corporation of Pakistan – have switched over to operating on a 'profit and loss sharing' basis. During 1980 profit and loss sharing counters were opened at all the 7,000 branches of domestic Pakistani banks. Interest based operations were maintained and there was no public commitment to their eventual elimination.

Finally, the government has made an attempt at reformulating the national educational policy. An extensive review of textbooks at all levels has been undertaken to remove material repugnant to the teachings of Islam. Islamic studies have been prescribed as a compulsory subject up to graduation level and are included in examinations for appointment to the senior civil and administrative services of Pakistan. The emphasis on Islamic teachings has also increased at the various military academies and there has been an upgrading in the salary and status of khateeb (religious teachers) on service with the Pakistan army. The degree granted by religious educational establishments has been recognised as equivalent to a masters degree of a Pakistani university.

Arrangements are being made for extension of training in Islamic jurisprudence. In October 1979 a shariah faculty was established at the country's leading research university at Islamabad. It emphasises the training of specialists in shariah law and operates a masters course in the subject. In November 1980 the shariah faculty was transformed into an Islamic university thanks to substantial assistance from the King Abdul Aziz University of Saudi Arabia. The rector of the new university, A K Brohi, a well-known international lawyer, has ambitious plans for its extension and consolidation. Special emphasis is placed on the role of the fledgling dawa (Islamic promulgation) department which aims at making the resources of the university accessible to a large cross section of urban and rural communities.

The impact of these Islamisation measures on Pakistani society can at best be described as modest. The legal reforms appear contrived and artificial to a judicial establishment

schooled in the British tradition. It instinctively fights shy of these reforms and consciously seeks a reinterpretation of Islamic law to legitimise existing practices and norms. References to the shariah courts have been relatively rare and its recommendations – as well as the recommendations of the Council on Islamic Ideology (CII) – have been implemented in a diluted form. Thus the legal establishment has resisted imposing the code of Islamic punishment on criminal offenders and a controversy about the role of sunnah as basis for Islamic legislation has been institutionally sustained. This controversy was most in evidence in the debates relating to the interpretation of the Islamic punishment for rape and illicit sex offences (qazf) but challenges to the use of sunnah as a basis for determining punishment have also surfaced in connection with the punishment of theft and banditry.

The lack of imposition of the Islamic penal code has meant that there has been no noticeable improvement in law and order in the country. Zia referred to "cases of intimidation and brigandage" in his speech on December 24, 1981. The government itself has recognized that "the change brought about by (these) hadood laws, though fundamental, has not created the kind of immediate impact that many well-meaning and knowledgeable persons had been expecting." A state of general disillusionment has set in and many people feel that government-sponsored Islamisation has not created a dent in Pakistan's legal system which is dominated by an establishment with little comprehension of Islamic jurisprudence.

The economic reforms have been even more ineffectual. The inability to levy ushr has meant that the government has no access to agricultural income for purposes of welfare taxation. Options available to the landlords for evading levies remain large as long as the government allows a "non-organised" money market (with the traditional banya firmly in control) to flourish. Even the urban saving groups have availed themselves of these options, as well as of opportunities provided by the existence of a thriving group of foreign banks, to avoid payment of zakat. Zakat collection during 1980-81 has been pitifully small, amounting to Rs800m, representing less than two per cent of federal revenue and quite insufficient to meet the needs of the mostadfeen, who constitute a large proportion of Pakistan's population.

Equally insignificant is the impact of the experiment with interest-free banking. As noted elsewhere, the amount deposited in profit and loss sharing accounts represents about 35 per cent of the total bank deposits in the country. This proportion shows no sign of increasing substantially. No effective mechan-

ism has been evolved for deployment of these funds. Most branches simply do not have facilities to undertake realistic feasibility studies and savings mobilised through profit and loss schemes are invested according to government directives.

The educational reforms have produced a climate of change in the ranks and junior officer corps of the military establishment. There is an increasing influence, sometimes officially encouraged, of the jamaat tabligh in these circles. In civilian life the educational initiatives have borne little fruit. Many ulema view these initiatives with deep suspicion. One of Karachi's leading alims (who has asked to remain unnamed) told me that he regarded the building of the Islamic University and the growth of the dawa department as the first step taken by the Zia administration to impose regimentation on the Pakistani ulema on the lines of the Turkish and Malaysian government. He said that the ulema should resist any attempt at standardising madrassah syllabuses and the provision of official (or semi-official) patronage. These views were echoed by a wide range of religious opinion in Pakistan.

Religious circles in Pakistan are very worried about the ineffectiveness of Zia ul Haq's Islamisation programme. Many members of the CII blame organised groups within the federal ministry officials who act as intermediaries between the CII and the president. A member of the CII told me that Zia is often frustrated in his attempts to accelerate Islamisation. He and two other members of the CII alleged that a well-knit group of senior government officials had now been formed under the leadership of Ghulam Ishak Khan, the federal finance and planning minister, to slow down methodically the pace of Islamisation. Ghulam Ishak Khan had successfully frustrated the initiatives of the CII on the question of the implementation of zakat and the abolition of interest. He had seen to it that zakat was collected only from one section of the community and that the commitment to interest-based banking was not reduced by the opening of the profit and loss counters. This had ensured that both schemes were stillborn, the CII member said. Ghulam Ishak Khan has emerged as an increasingly powerful figure. He has been in office since 1977. It is said that he now endorses many changes in economic policy without bothering to consult Zia, who is not particularly interested in economic affairs.

It is clear that, since the 1979 estrangement between Zia and the political parties, the civil bureaucracy has consolidated its position and now plays a very important part in political decision-making. It has succeeded in inducing the president to forbid the CII from publishing

its recommendations. The bureaucracy has thus in effect become the sole determinant of the pace of Islamisation within the country. Moreover, the political power of the bureaucracy has increased due to the role it has been allowed to play in the selection of the Federal Council – the majlis e shura. It is said that although suggestions for nomination to the Council were invited from a wide range of interests, ultimately it was the Deputy Commissioner and provincial level civil administrators who determined the government's choice of representatives in the majlis.

In his inaugural address to the Federal Council, Zia said that its primary task was "to help the government accelerate the process of the enforcement of Islam." But such an acceleration calls for the mobilisation of popular support and the building of a new set of institutions which could ensure that those committed to Islam became capable of exercising social and political authority. The administration has resisted all attempts at building this institutional base for Islamising Pakistan.

Pakistani bureaucrats ensured that the politicians within the Republican Party of the 1950s and within the Convention Muslim League of the 1960s played just such a role. Today the Pakistani bureaucracy seeks to transform the majlis e shura into a new, rejuvenated Convention Muslim League. The majlis is thus entrusted with the task of invoking the name of Islam to legitimise continued domination of new colonial structures of suppression.

In the eyes of the bureaucracy those who challenge the legitimacy of these institutions represent the greatest threat to the "security of Pakistan." It is therefore natural that it should seek to isolate and politically ostracise the Jamaat Islami, a party committed to Islamic revolution, and capable of challenging the social and political hegemony of the bureaucracy and of its supporters.

During the period March to June 1977 the organisational adaptability of the Jamaat enabled the Pakistan National Alliance to destroy civilian authority at neighbourhood level and constitute a revolutionary basis of Islamic power. This period of Islamic hegemony is a nightmare to all of Pakistan's top mandarins. They thus put emphasis on the need to suppress attempts at building powerful institutions at the base of the Pakistani polity.

But the strategy of consolidating the existing political structure while paying lip service to Islam is full of danger for President Zia. Zia enjoys political support much as Ayub Khan did, due to favourable economic conditions, generous military and economic assistance and the expectation that, as time goes on, fun-

damental change in social conditions and in ideological orientation will occur. A worsening of the economic climate, a reduction in aid and a persistent inability to deal with corruption and nepotism may have as serious consequences for Zia as they did for Ayub. Already the government has had to put up the price of essential commodities; there has been a bad wheat harvest; the rupee has been devalued; violence at universities is rising; inter-communal rioting persists. The foreign scene remains confused. If the economic situation worsens and a crisis ensues the bureaucracy will feel few qualms about ditching Zia. His supporters will find themselves as helpless and vulnerable as did Ayub Khan's supporters in 1968. The bureaucracy will then patch up its differences with the People's Party which is waiting in the wings.

Such an outcome can be avoided and the process of Islamisation accelerated by reducing the power of the bureaucracy, imposing a social isolation upon its leadership and building grass roots political institutions capable of transforming Pakistani society by transferring power from the corrupt policeman and civil servant to dedicated Islamic workers (at the Mohallu and village level) who have demonstrated a capacity for sacrifice and struggle. This is the challenge which confronts General Zia.

CSO: 4220/91

ZIA'S PERSONALITY AND POLITICAL SKILL PROBED

London ARABIA THE ISLAMIC WORLD REVIEW in English June 82 pp 17-18

[Article by Anjum Matin]

[Text]

 Zia ul Haq was born in 1924, the son of Akbar Ali, an army clerical officer from Jullundar. Zia joined the British army and was commissioned in 1945. During the second world war he saw service in Burma, Malaya and Indonesia. In 1947 he decided to join the army of the newly created state of Pakistan.

He made steady progress in the Pakistan army. In the early 1960s he was sent to the US for 'advanced training,' a sure sign that the army high command expected him to play a key role in the future. He served during the 1965 war with India as a lieutenant colonel though without any particular distinction. In the early 1970s he went to Jordan and was decorated with the Al Kaukab and the Al Istiqbal medals for services rendered during the 1970 civil war. He also served in the 1971 war with India. In 1972 he was appointed to the post of major general and given the command of an armoured division. In 1975 he became a lieutenant general and a corps commander and in 1976 Zulfikar Ali Bhutto appointed him as army chief of staff, ignoring several more senior officers. A year later Zia toppled Bhutto and seized power in a bloodless coup. He has ruled Pakistan ever since.

Zia has been described as a modest man reluctant to foster a fullblooded dictatorship or institute a personality cult like that built around Ayub Khan. He has clung to power because the political leadership of Pakistan has been judged incapable – by the army and its experts – of maintaining national unity. His repeated postponement of elections have led him to take a series of steps which have consolidated the hold of the army within Pakistan politics.

In March 1977 he announced that elections would be held in 90 days but these were postponed to permit the completion of judicial proceedings against Bhutto. The political parties within the Pakistan National Alliance collaborated with Zia during this period and a government of national unity was formed. This collapsed after Bhutto's execution in April 1979 and elections were promised for the winter of that year. Procedural wrangles between the parties and the government over the conduct of these elections led to their cancellation. Zia, however, went ahead with local elections. In the Punjab, a majority of those elected were partisans of Bhutto's People's Party: this confirmed Zia in the view that the "time was not ripe for holding elections in the country."

Events during 1980 and 1981 showed that Pakistan's most popular political group, the People's Party, was developing strong links with Pakistan's worst enemy – the Karmal regime in Kabul. The People's Party has systematically whipped up hatred against the Afghan refugees in Pakistan. Its leaders developed close links with the USSR and echoed Soviet policy on the Afghan question. It started negotiations with Baluch secessionist movements and made far-reaching political promises. In March 1981 Bhutto's son, Murtuza, launched a successful attack on a Pakistani aircraft which was hijacked to Kabul where the authorities supplied it with arms and fuel.

Zia's response has been to attempt to create his own political party. He took an important step in this direction in January 1982 when he

selected 300 politicians to constitute a Federal Advisory Council. It was hoped that government patronage would permit these politicians to acquire status and influence and enable them to destroy the political hold of the Bhutto family. This strategy is not likely to be particularly successful, however. The political impact of the Federal Council is unlikely to be greater than that of Ayub Khan's Convention Muslim League.

Zia has proved to be an adroit political manager. He has successfully dealt with the civilian politicians and also foiled army coups – the most serious of which was one led by General Chisti in March 1981 with, it has been alleged, the backing of the US State Department. Zia has not developed into a charismatic national leader, however.

This is partly explained by Zia's inability to present a coherent Islamisation policy. Zia's commitment to Islam is not in doubt. He comes from a deeply religious family and leads a pious life. He is strongly influenced by

Maulana Muhammad Ilyas's reform movement, the Tablighi Jammaat. The Tablighi Jammaat now enjoys a privileged position in the Pakistan army and almost all the khatibs within the army are recruited from its ranks. Maulana Muhammad Abdul Hai is General Zia's guide and religious mentor.

Zia, however, does not have a clear conception of the processes of Islamisation of society and state. He has placed emphasis on the institution of Islamic laws and a gradual adoption of Islamic economic policies. He has used the existing bureaucratic structures as the main instrument for the implementation of his Islamisation policies. No new popular institutions have been created at the popular level. The mosque has, for example, not been transformed into an institution for mobilising local administration as in Iran. The lives of the ordinary people of Pakistan have not been touched by General Zia's Islamisation initiatives: they regard him as not very different from his oppressive predecessors.

CSO: 4220/91

NDP URGES ELECTIONS UNDER 1973 CONSTITUTION

Karachi DAWN in English 19 Jun 82 p 8

[Text]

Viewing with concern the "super-Power confrontation" in the region, the defunct NDP (National Democratic Party) yesterday commended the policy of non-alignment in international relations and asked Pakistan to settle its outstanding disputes with all its neighbours in the same spirit.

A joint meeting of the defunct NDP of Baluchistan and the delegates of the Central Executive Committee adopted a resolution at Quetta condemning the unprovoked Israeli attack on Lebanon to exterminate the Palestinians. It also deplored the delay in the stoppage of the Iran-Iraq war.

The resolution said that "the US and some Western countries are supporting the Israeli expansionist designs to retain their "oil monopoly" in the oil-producing countries."

The resolution, which the defunct NDP's Central Information Secretary, Mr Abid Zuberi, released in Karachi on return from Quetta last evening, expressed the party's anxiety over the prolongation of the Afghan crisis. Such a contingency, it said, was helpful to the big

powers in selling more and more arms to the Arabs.

Referring to the internal situation, the resolution criticised the restrictions imposed on the movement of political leaders, particularly of the defunct NDP, from one province to another. Such actions, it pointed out, generated the feeling of regionalism and was not conducive to the "interests of the Federation."

Calling for the return of democracy through general election under the 1973 Constitution, the resolution demanded the release of all political leaders and workers.

Owing to a sense of planning, it said the economy was in a "bad shape" and there was unrest among all sections of the people.

In Baluchistan, the resolution said, educational conditions were "far from satisfactory". Besides, in Quetta there is only one government hospital which was set up to cater to a population of 40,000 while the population today was 600,000. The national highways in the province were in "a poor state" and needed urgent repairs.

CSO: 4220/80

ZIA CALLS FOR OBSERVING SANCTITY OF RAMAZAN

Karachi DAWN in English 23 Jun 82 pp 1, 10

[Text]

ISLAMABAD, June 22: President Mohammad Zia-ul-Haq has urged the people to strictly observe the sanctity of the holy month of Ramazan.

In a message on the eve of the Ramazan-ul-Mubarik, the President said that Ramazan was a month of supreme significance for the faithful in particular and humanity at large. He said that this sacred month teaches us the lesson of self-discipline in total submission to the Will of Allah and complete obedience to His command.

Following is the full text of President's message:

"Today commences the holy month of Ramazan-ul-Mubarik. This is the month of supreme significance for the faithful in particular and the humanity at large. The Holy Quran, the source of eternal guidance to the Muslims, in fact to all mankind, was revealed in this month to the Prophet (peace be upon him). Every day this month is a day of divine blessings and every night the harbinger of divine bounties.

"We have been enjoined by the Holy Quran to fast in order to heighten our realisation that we are not our own masters to indulge in our whims and fancies, but that there is a master above whose behests we must

obey by abstaining from whatever He forbids and by performing whatever He commands. The sacred month of Ramazan-ul-Mubarik teaches us the lesson of self-discipline in total submission to the Will of Allah and complete obedience to His Command.

"It should, therefore, not be assumed that if we merely observe "Saum" or fast, we have fulfilled our religious obligation. The true spirit of Ramazan-ul-Mubarik requires that "Saum" must be accompanied by "Salaat". It is the combination of "Saum" and "Salaat" in complete unison, that is a prerequisite for the discipline of the body, the cultivation of the mind, and the sustenance of the soul, which are the attributes that Ramazan-ul-Mubarik provides us with the opportunity to acquire.

LESS FORTUNATE ONES

"More than ever, we must not forget during the holy month of Ramazan-ul-Mubarik our less fortunate brethren worthy and deserving of our help. He who fasts, but does not discharge "Huqooq-ul-Ibad", that is, his duty towards his fellow-beings, has manifestly failed to grasp the spirit underlying Ramazan-ul-Mubarik. In this sacred month, we are particularly enjoined to do the maximum good to our fel-

low-beings and to abstain from anything, whether by word or deed, that will hurt them to the slightest degree.

"In this context, I would urge our people to observe strictly the sanctity of Ramazan-ul-Mubarik. Those who are unable to fast, owing to illness or some other reason, must refrain from eating, drinking and smoking in public. By the same token, a tremendous responsibility also devolves upon our business community. Those who exploit the situation arising from the special needs of the people during Ramazan-ul-Mubarik, by indulging in hoarding, profiteering and blackmarketing, will not only be violating the sanctity of Ramazan-ul-Mubarik, but will also be committing an unforgivable un-Islamic offence and a heinous crime in the eyes of the law. There will be retribution for such anti-social elements both here and hereafter.

"With the dawn of the holy month of Ramazan-ul-Mubarik, let us prostrate before our Creator and pray to Him from the depth of our hearts to enable us to observe the fast, to shun from selfish deeds and social and moral vices, and to keep to the righteous path in the light of the teachings of the Holy Quran and the Sunnah — Amen.—APP

DR ISRAR AHMAD'S VIEWS QUESTIONED, REFUTED

Lahore THE PAKISTAN TIMES in English 15 Jun 82 p 4

[Article by Asghar Butt]

[Text]

IT MAY sound strange but it is true that an ex-member of our Majlis-i-Shoora and acknowledged religious scholar has questioned the validity of our concept of territorial loyalties. In an article in a recent issue of an Urdu daily, he has tried to support his thesis by quoting a verse from Allama Iqbal: "In taza khudaon mein bara sab se watan hai Jo pairhan is ka hai mazhab ka kafan hai."

He also quotes a saying of the Holy Prophet (peace be upon him) that "love of the motherland is a necessary part of faith" but goes on to elucidate that according to Iqbal the motherland is not the same as that of the West. Love of the motherland (Watan) is, therefore, a negation of religion. What a turnabout on the saying of the Holy Prophet! Iqbal could not obviously be referring to Pakistan as "Watan", because Pakistan had not come into being in his time. The "Watan" at that time was the undivided India and it was in that context that Iqbal questioned the concept of territorial loyalties.

The author of this thesis, as you might have guessed, is Dr. Israr Ahmad. He has brought the full weight of his scholarship to bear on two important symbols of loyalty to the motherland: salute to the national flag and respect shown to the national anthem. According to him, both these constitute "shirk" or acknowledgement of a deity besides God. And lest anyone protest, he calls it an implicit "shirk" and not an explicit one.

Going by the literal meaning as he is, he need not have demurred. He could have also called it an explicit "shirk" as the Urdu phrase used for love of motherland is "watan parasti" — worship of the motherland. Since worship is due only to one God, any other worship, symbolic or otherwise, has to be "shirk". Apparently, those who coined phrases as "husn parasti" (worship of beauty), "twahum parasti" (worship of superstition), etc. were not doing any service to the cause advocated by Dr. Israr Ahmad. And what would one say to the promotion of idol worship and hence "shirk" through such verses as "Go wan ke nahin per wan ke nikale hoovey to hein. Ka'abe se in butoon ko bhi nisbet hai doqor ki".

In giving these illustrations the idea is not to treat the whole matter lightly but to indicate that too much should not be read into the usage of ordinary day-to-day works. And the same holds true of commonly accepted practices. The contention of the learned doctor that these have to be abandoned if found in conflict with religious tenets, needs to be examined.

"Shirk" is a belief or a practice which endows any object or person with such attributes as are the prerogatives of God alone. But if you call a person "just" or "merciful" you are not guilty of "shirk". These qualities do belong to God but are not His exclusive prerogatives. However if you call anyone "all-powerful" or "life-giver", you are guilty of "shirk" because God does not share these attributes with anyone. Similarly if you worship (not in the poetic or common parlance but in the real sense) any object or person or pray to him to seek sustenance from him, then you are guilty of "shirk".

Not in Quran

Would saluting, therefore, fall in the class of "shirk"? Is receiving salutation an exclusive prerogative of God or do

others get saluted too? We salute our elders, superiors, friends day in and day out. We salute the great for their achievements. We salute the martyrs for their sacrifices. We salute the saints and prophets for their piety and their good deeds. Salutation is our homage to them. We salute God too. But does God forbid us to pay this homage to others? Not in the Holy Quran at least.

The next question is: Why this homage to a piece of cloth? To understand this, we will have to briefly go over the history of the flag. Encyclopaedia Britannica defines "flag" as "a piece of cloth displaying the insignia of a community, an armed force, an office or an individual". Its functions are mentioned as symbolising leadership or rallying-point. The earliest known flag was used in China by Chau dynasty (1122 B.C.). Our Holy Prophet had a black flag for his battles. The Abbasids had a black flag as their normal insignia. The Omayyeds had a white flag. The Fatimids had a green flag, the Europeans are not known to have had a proper flag till about 1189-92, the period of the Third Crusade. They are said to have been impressed by the use of the flag by their Muslim adversaries and decided to devise their versions of it. We did not copy the flag from the West as the learned doctor has said in his article; they copied it from us.

Now the next point is whether this piece of cloth has any special privilege or prestige. The Prophet himself carried the flag. Hazrat Abbas carried the flag against the army of Yezid. So it no longer remained piece of cloth.

The people who carried it bestowed on it the qualities of a special nature. It symbolised for them sacrifice or faith or unity or greatness or their future. Therefore what they saluted then and salute today is not a piece of cloth but the spirit that shines through it. In victory, the flag is raised; in defeat, it is lowered. At the pinnacle of achievement as on the conquest of Mt. Everest, a flag is planted, as it was planted on the surface of the moon by the first men to land there. In love and emotion you kiss or salute a flag; in anger or hate you trample on it. So it is not just a piece of cloth; it symbolises much more.

The flag has its uses outside the battlefield too. When the Quaid-i-Azam decided to unite the Muslims of India and formed the All-India Muslim League, he gave a flag to his people — the same as the national flag of Pakistan, minus the white strip. He called on them to gather round this flag — and they did. It became the symbol of Muslim unity. And when the Quaid-i-Azam saluted that flag, he saluted the spirit of that unity.

Now, where was the "shirk" in that? The learned doctor believes as mentioned in his article, that the people of a great brotherly Muslim Arab state do not salute any flag, because of its so called "shirk" implications. The heads of that state as well as many other dignitaries from there have frequently visited Pakistan and no hesitation on their part to salute the Pakistani and their own flag was ever noticed. TV films made on such occasions can easily be consulted by way of confirmation.

Prayer to God

The learned doctor has also objected to the National Anthem as being reminiscent of prayers to other deities than God. Here again the facts are to the contrary. Our National Anthem is a prayer to God to protect and preserve us. Mark the words "shad bad" (may it prosper). We say: "O let this beautiful land prosper for ever and let our goals be reached and our aspirations be fulfilled." To whom, but to God, could this prayer be addressed? And where is the "shirk" in a prayer to God?

But perhaps the real objection is not so much to the National Anthem or the salute to the National Flag, but to our concept of "watan". While quoting from Iqbal, the learned doctor overlooked the fact that his "watan" — Pakistan — is a creation of Iqbal. There was no dearth of religious scholars in the days of Iqbal who had different visions. To some of them the undivided India was as good a "watan" as any. There were others who objected to territorial limits of any kind being imposed on an Islamic state, yet Iqbal stood up for Pakistan as a "watan". And quoting his verses out of their context can never change this reality. Maybe some adherents of those past visions are still nursing hopes for a different "watan" but I hope the learned doctor is not a party to their dreams. He is known to be patriotic and enlightened. Let him not be led away by those who feel that dismantling of our national symbols will free them from territorial loyalties and pave way for pastures new.

NATIONAL DEBATE ON MARTIAL LAW RATIONALIZED

Karachi DAWN in English 19 Jun 82 p 7

[Article by Brigadier A. R. Siddiqi (Retd.): "Martial Law: Need for a National Debate"]

[Text] At the end of the Lahore martial law in the middle of May 1953, I came to Karachi on leave and, among other things, also called on the late Mr Altaf Husain, DAWN's first editor, at his New Chali (now Altaf Husain Road after his name) office.

(I had worked on the staff of DAWN, Delhi as a junior (initially 'unpaid') sub-editor and, although my official connection with DAWN broke after it shifted to Karachi, my personal link with Mr Altaf Husain remained in tact. Hence my calls on the great editor whenever I came to stay in Karachi on leave first from my paper, THE (late) CIVIL & MILITARY GAZETTE, Lahore, and subsequently from the army.)

Al-af Husain received me with his characteristic aplomb and severe courtesy; but presently he warmed up to the subject of martial law and opened out. He questioned me closely about the course and conduct of the Lahore martial law, and while I was leaving his office he asked--and I quote--"Tell me one thing, Siddiqi, was it just an exercise to restore law and order or a full-dress rehearsal for something bigger to come?" The question took me completely by surprise and left me wondering about its true import and significance. I mumbled something wholly confused, in answer and got out of the editor's office.

Bureaucracy

It was not until much later that the real depth and wisdom of the question dawned upon me. Writing years later on the Lahore martial law (DEFENCE JOURNAL, Vol III, No V, 1977) I commented thus: "Although limited in space, the Lahore martial law made an unlimited impact on Pakistan's political history. First, it darkly illustrated the point that under weak politicians, political processes in Pakistan had not gained sufficient strength; secondly, it demonstrated the ability of the army to succeed physically where the political/bureaucratic machinery had failed; thirdly, it underlined the general acceptance of the military rule; fourthly, it produced or prominenced the existence of a certain equation between the bureaucracy and the military at the highest levels, and lastly most importantly, it enshrined the use of martial law in our history and tradition, if not in our constitution. In Pakistan,

constitutions have in any case, proved to be more transitory affairs than anything else in our national life. In its historical context, the Lahore martial law of 1953 proved to be the forbear and progenitor of the future martial laws...."

The years between the Lahore martial law and the first general martial law in October 1958, initially under the Iskandar-Ayub dummvirate and subsequently under the latter's autocratic rule, had been the period of growing civil-military estrangement and mistrust. In fact, a kind of adversary relationship developed between the two with the military steadily gaining the upper hand. The army chief, when invited to join the Central Cabinet, as defence minister, in October 1954, made his acceptance conditional upon the continued retention by him of his army command. The command of the army and control of the armed forces thus vested in a single person, reporting to a nominated prime minister (Mohammad Ali of Bogra) and an ailing governor-general (Ghulam Mohammad) leaning more and more on the support of the army for his own administrative strength and political power.

General (later Field Marshal) Ayub's march into the corridors of power along with his secure army command apotheosized the role of the army in national affairs. The army became the eminence grise and the real power behind the throne.

Even in his first broadcast to the nation on 8th October 1958, as CMLA, General Ayub revealed: "You may not know, but I refused on several occasions the late Mr Ghulam Mohammad's offer to take over the country...."

He referred to the "baseness," "chicanery," "deceit" and "degradation" of the politicians who turned "a perfectly sound country into a laughing stock."

There is little doubt that behind Ayub's (military's rise to absolute power lay years of political frustration and failure. Some of the major landmarks were the dismissal of the prime minister, Hawaja Nazimuddin; the imposition of governor's (Iskandar Mirza's) rule in East Pakistan; dissolution of the constituent assembly; bitter infighting before framing and adopting the 1956 constitution; emergence of Iskandar Mirza as the political factor (or malefactor?), drawing all his personal power from the excellent equation he had with the army commander; imposition of virtual army rule in East Pakistan under the garb of Ops. Close Door in 1957-58; revolt of Khan Kalat, violence and bloodshed in East Pakistan provincial assembly and the endless mutually-destructive wrangles and squabbles, conspiratorial manipulations and desertions from parent political party by politicians. (The emergence of Iskandar Mirza's Republican Party represented the bastardization of politics in the country.)

Power

The army came riding on the tidal wave of nationwide chaos and confusion and was warmly welcomed by all and sundry. The nation, or the vocal part of it, hailed martial law as the promised order and the politicians who, for acts of omission and commission, had brought it upon the nation, were scurrying for shelter like a pack of pigeons at the sight of a ferocious tom cat. None seemed to have had any fight left; and that, more than anything else, persuaded

and compelled the enforcers of martial law to prolong their stay in the corridors of power.

Martial law's *raison d'être* and vindication arose largely from the inability of the leaders of the public opinion to direct and control public affairs effectively and their subsequent acquiescence in the fait accompli brought about by armed forces. The absence of the political clot in the face of a military fiat had been, and still remains, perhaps the most dominant feature of Pakistan's troubled political history.

In the ensuing political or populist vacuum created by the failure of the public and their leaders to evolve a common consensus and a collective commitment to national goals, the third party or the armed forces moved in and had a walk-over.

To quote Mr Justice Qadeer Uddin, Retd., (Constitution and Armed Forces, Defense Journal, Vol. III, No. 11, 1977): "When minds are divided and hearts split, there is bound to be dictatorship or else foreign invasion. But the irony is that those countries which are most exposed to such tragedies are also the countries which desperately need well-equipped and efficient armed forces. Once in this situation a dictator assumes all power, he is likely to feel honestly interested in perpetuating his rule and becoming the cause of aggressive partisanship. The process of healing, which begins, seems unending to him. The real treatment of healing can, however, come from the people themselves, if and when they understand precisely what they wish...."

Failure

In other words, the failure of the people and the politicians in selecting and maintaining a broad-based national objective and their resulting sense of bewilderment or stupefaction prompt military forces to come and take over.

That was more or less what happened before Pakistan's second martial law was imposed by General A.M. Yahya Khan. Whereas, the politicians failed to produce an agreed formula regarding the future political management of the country, on the basis of a broad inter-wing consensus, the people, remained like excited spectators to the political passion-play without deeper involvement. And when martial law eventually came through none raised a little finger against it.

What happened later on, in the shape of mutiny, insurgency and armed resistance in East Pakistan had little to do with martial law as such. It had been a revolt of the masses against a repressive regime that tried to deny them by force of arms the power and the authority that should have been legitimately theirs by virtue of their electoral victory.

When the transfer of power did eventually take place, the country had already split into two separate and sovereign states of Pakistan and Bangladesh. The civilian chief executive of Pakistan, much to everybody's surprise and mortification assumed the title of CMLA, while declaring to buy martial law forever. Thus he enshrined and perpetuated, even if only symbolically, the supremacy of military power in civil affairs.

The situation reached its logical climax, when in order to resolve a political situation by political means only the civilian government decided to use the armed forces in Baluchistan in October 1972. At that point, civilian authority that, for once, seemed to have come to stay in Pakistan began to decline and the dormant power of the military surfaced once again. Thenceforward, things happened one after another to make the imposition of the present martial law only a question of time.

Coming in the wake of the collapse of what could be described as perhaps the biggest political movement in Pakistan against unfair elections, the present martial law was widely welcomed. However, like previous martial laws, the present martial law also did not necessarily denote the triumph of the military so much as the erosion and resulting weakness of the political process and persona.

The time-frame of three months for the conduct and completion of Operation Fairplay, under which elections were to be held and power transferred to the elected representatives of the people, had undoubtedly been the major factor in the initial popularity of the present martial law. The situation in this respect has, however, materially changed after nearly five years; and it is about time for a reappraisal of the conduct, and course of the present martial law.

The general acquiescence of the people in the continuation of martial law signifies resignation to a fait accompli more than acceptance of martial law itself. While it would be difficult to deny the relevance of martial law to Pakistani group psyche, it would be equally difficult to deny that such draconian measures (as martial law) impair the resistance of the people to collective challenges and threats.

When a nation develops the habit of submitting to internal fiat, its will and strength to resist outside pressures gets seriously undermined.

Alarming

Perhaps, there is nothing more disturbing--even alarming--in national affairs than the apathy of the masses and their aloofness from national problems and issues. The growing apathy of the masses in Pakistan is indeed becoming a disturbing tangible phenomenon. Most of us are just not concerned with or about the larger geopolitical challenges and threats facing the nation as a whole. We seem to be living from day to day mainly for ourselves and our families outside the national mainstream for all practical purposes. This is not to challenge anybody's basic patriotism (it is about time we banished the word "traitor" from our political dictionary), it is to highlight a sorry state of affairs, largely as a result of the increasing sense of nonparticipation, among all and sundry, in the conduct of the country's affairs.

The martial law administration has taken too much upon itself to make the people feel responsible for anything--be it the government or defence of the realm. It has tended by and large to dull their perception of the collective weal and woe. And that is where the danger lies. It is high time the course, conduct and consequences of martial law in the country were thoroughly examined and analysed in a grand national debate.

CONCERN EXPRESSED OVER SUBVERSION PLOT

Karachi JASARAT in Urdu 16 Apr 82 p 3

[Editorial: "Did the Plot Succeed?"]

[Text] According to a PPI report from Peshawar, a plot to kidnap and hold as hostages the children of prominent people, to destroy the important installations and to poison the drinking water has been detected in the North West Frontier Province. This plot was hatched by some terrorist organization whose headquarters are in Kabul. A group, under this plot, was sent to poison the water reservoirs which supply the drinking water to the urban population. PPI reported this plot quoting a newspaper and added that it was uncovered in time and foiled.

The periodical AZIZ of Quetta, through its correspondent, reported that more than 300 Afghan refugees became unconscious because of poisoned yogurt and yogurt drink in a camp near Pishin, 30 miles from Quetta. They were admitted into the hospitals in Quetta and Pishin. Among them were women and children. Eight children, whose condition is critical, have been admitted to a civil hospital. Although it was pointed out that the powdered milk from which the yogurt was prepared had an expired date on it, things are not as simple as they seem and it is quite possible that the plot which was foiled in the North West Frontier Province may have succeeded in a refugee camp in Baluchistan.

It is quite possible that the intent of the destructive elements may have been to excite the Afghan refugees and to disenchant them with the people of Pakistan and then use the unrest as a basis for disturbances in Baluchistan. In view of this possibility it is exigent that a good look be taken at the incidents in the Afghan refugee camp near Quetta and Pishin and a proper investigation be instituted.

9859

CSO: 4203/115

WALI KHAN'S KABUL VISIT CRITICIZED

Karachi JASARAT in Urdu 19 Apr 82 p 3

[Editorial: "Wali Khan and the Karmal Regime"]

[Text] Radio Kabul reported that Khan Abdul Wali Khan, the leader of the defunct National Democratic Party of Pakistan, met with the titular head of the Kabul administration, Babrak Karmal. He (Wali Khan) expressed during the meeting that the differences between Pakistan and Afghanistan will be harmful for both countries. All the countries of the area should, therefore, solve their differences amicably. The Kabul radio, in its broadcast, claimed that in the opinion of Wali Khan the proposals which were announced by the Karmal administration last August would provide a useful basis for talks between Pakistan, Iran and Afghanistan.

Wali Khan is now regarded as an elder statesman in Pakistan. In what capacity he met the head of the Kabul administration and how far his advice is worth consideration, this we will discuss later. The question immediately comes to mind is: Who did he think Babrak Karmal was when he [Wali Khan] met him and in what would be the status of Karmal if the Pakistan Government was to open up talks with him?

The administration of Babrak Karmal in Afghanistan negates all established laws and rules. The entire Muslim community does not regard it as a legitimate government. The Western world is not ready to accept it. Even the communist countries where, in a real sense, the principle of representative government does not come into play, have been reluctant to recognize the Karmal government in the last 3 years in spite of Soviet influence and pressure. Only the Soviet Union and a few of its satellites are its supporters.

Karmal government is not democratic by any means. It is not a creation of any revolution. Nor has it come into existence as a result of a coup d'etat. It has been set up as a result of foreign intervention and intent. First Russian tanks arrived in Kabul, then Babrak Karmal. As a matter of fact, he was driven in a Russian tank from the airport to the presidential palace. The definition of even an effective government, let alone of a legal and constitutional one, does not apply at all in his case. Such a large part of the population protested against his illegal entry into the country that a quarter of the people emigrated to Pakistan, Iran, India, the United States and West Germany rather than accept him. The number of Afghan refugees in Pakistan alone is 2.6 million.

And the population which is engaged in warfare with the Russian armies and the Karmal government is by no means less than half of the total. A large part of the armed forces has joined the freedom fighters. The Karmal government is so ineffective that it cannot remain in power for a day without Russian forces. If the Soviet Union decides today to recall its armed forces, Babrak Karmal will not get a chance to say even goodbye to them.

Nonrepresentative governments are also found in other countries as well. Recently the commander of the armed forces of Bangladesh, through a coup d'etat, overthrew a democratic government and ascended himself to power. But the Bangladesh Government or many such governments did not have to face the resistance of their masses; on the contrary, in many cases there was a sigh of relief at such a change among a large part of the population. The Babrak government cannot be accepted as a viable effective government out of sheer necessity because a clear majority of the Afghan population is fighting to end the foreign occupation. And when a people fight foreign forces for freedom, then the puppet government dancing to the tune of foreign armies in their country can by no standards acquire permanence and legitimacy. This is why a large part of the Islamic world does not recognize the Babrak government and regards talks with it as futile.

Wali Khan went to see his ailing father, Khan Abudul Gaffar Khan, in Kabul. The Government of Pakistan allowed him to go to Afghanistan on humanitarian grounds. He must not have met Babrak Karmal as the envoy of the Government of Pakistan. In Pakistan his politics has been democratically-oriented. Here he seems to favor the restoration of democracy and the establishment of an elected, representative government. Then, how come he had an about-face the moment he crossed the border and became a supporter of an illegitimate government in Afghanistan and publicly endorsed the schemes which his own government time and again had tried to stop? It is possible that Radio Kabul may have given wrong reports or exaggerated. But if that is not the case, Wali Khan's politics is not the politics of democracy nor can his attitude be regarded as patriotic. Right now Wali Khan has the benefit of the doubt. Truth will come out on his return.

9859

CSO: 4203/115

PLO REPRESENTATIVE THANKS PAKISTANIS

Karachi DAWN in English 22 Jun 82 p 14

[Text]

Mr Basem Abdul Rehman, PLO Representative in Karachi, yesterday conveyed the "brotherly greetings" of the Palestinian people to the people of Pakistan for their commitment of solidarity with them and their offer to join the PLO in their struggle against Israel.

He said: "Palestine cause is a human cause. It is the cause of all peace-loving people, the cause of the Muslims, Asians, Africans and Latin Americans. It is the cause of the oppressed people of the world."

In a signed communication to Mr Nafees Siddiqui, Secretary of the Committee for Solidarity with the Palestinians, Mr Abdul Rehman conveyed his Mission's gratitude to the "democratic political parties, students, labour unions, journalists lawyers, doctors, intellectuals and other anti-imperialist organisations" for expressing solidarity with the Palestinian people.

The PLO Representative said that the aim of the Israeli forces was to control the rich oil area in the Middle East to serve the interests of the USA.

He said that those who give verbal support to the PLO are "false Muslims", while those who "give sacrifice for the holy shrines are the real Muslims".

Mr Abdul Rehman said he wished to thank the people of Pakistan for the call of strike on first of Ramazan in support of the Palestinians and against the Israeli aggression and added: "I am sure the people of Pakistan will make it (strike) a success".

MORE CONDEMNATIONS

Meanwhile, some more organisations have condemned Israel's naked aggression against the Lebanon and called for a united effort on the part of the Muslim world to counter it.

Dr. Eizaz Nazir, a leader of the defunct Pakistan National Party (PNP), in a statement urged the Pakistan Government to "sever all links—diplomatic and others — with the USA for its exercise of veto in support of Israel's unprovoked attack on the Lebanon".

He said that, instead of paying lip sympathy, Pakistan should send its troops to fight side by side with the PLO forces in the Lebanon.

The National Construction Employees Union (South Projects), Sind, in a Press release appealed to the President of Pakistan to declare "Jehad" against Israel and its supporters.

Meanwhile, the MRD Convener, Mr Mairaj Mohammad Khan, said in a statement yesterday that a host of the defunct political parties and bodies of students, labour, women, doctors, traders and intellectuals have assured him of their participation in the public demonstration to be held today and in the observance of nationwide strike on the 1st of Ramazan.

He mentioned the names of over two dozen such Organisations which have assured all-out help to the PLO in its fight against Israeli aggressors.

The Jamhoori Tulaba Mahaz has expressed its solidarity with the Palestinian people and demanded that contingent of Pakistani army be sent to Palestine to fight against the Zionist forces, says a Press release.

GOVERNMENT URGED TO LET PAKISTANIS JOIN PLO

Karachi DAWN in English 23 Jun 82 p 10

[Text]

Sardar Sherbaz Khan Mazari, President of the defunct NDP, yesterday urged the Government to allow the Pakistani volunteers to join the PLO forces in Lebanon against the Israeli aggressors.

In a statement he deplored the arrest of the MRD leaders and others and demanded their release so that they could fulfil the religious obligation of fasting with their families.

Mr Mazari said the Government action to prevent a peaceful demonstration in support of Palestinian cause was "most regrettable".

He said "most disappointing" was the Soviet Union's failure to help the distressed people of Lebanon.

"It is the duty of all civilised countries and Pakistan, in particular, to try to stop the cold-blooded murder of unarmed men, women and children in Beirut and elsewhere," he emphasised.

Mr Zainul Abedin, acting President of the defunct PDP in a statement also criticised the arrest and detention of the MRD leaders and others. He expressed

complete solidarity with the people of Palestine in their hour of need.

He expressed concern over the failing health of his party chief, Nawabzada Nasrullah Khan, and demanded his immediate release.

The Democratic Students Federation in a Press release expressed similar sentiments on behalf of the student community.

Mr Akhtar Husain, Joint Secretary, Sind branch of the defunct PNP also protested against the arrest of demonstrators.

MRD leaders' plea

By Our Staff Reporter

MRD leaders have asked the Government to lift restrictions on demonstrations being organised to condemn the Israeli aggression in Lebanon.

Addressing a Press Conference at Karachi Press Club on Tuesday evening, Mr. Iqbal Hyder, Acting Convener of MRD, criticised the action taken by the police in Saddar area yesterday. Meanwhile, Anjuman i-Tajirani-Karachi has announced its decision to observe strike in support of the Palestinian people.

CSO: 4220/93

NATION'S SUPPORT FOR SOUTH AFRICAN PEOPLE VOICED

Karachi DAWN in English 16 Jun 82 p 12

[Text]

ISLAMABAD, June 15: Pakistan has reaffirmed its unwavering support for the people of South Africa in their just struggle for equality and freedom.

In a message issued on the occasion of International Day of Solidarity with the struggling people of South Africa being observed tomorrow, President Mohammad Zia-ul-Haq said:

"The Day of Solidarity with the struggling people of South Africa is being observed today by the international community. On this solemn occasion, the government and people of Pakistan once again pay homage to those martyrs who laid down their lives in Soweto while protesting against the degrading and abhorrent system of apartheid practised by the racist minority regime in South Africa.

The callous murder of innocent men, women and children in Soweto was but one example of the savage policies pursued

by the Pretoria regime to terrorise the people of South Africa. Soweto has come to symbolise the determination of the South African people to fight against tyranny and to sacrifice their lives in the noble cause of equality, human dignity and freedom.

The international community is morally bound to give total and unstinted support to the people of South Africa in this just struggle. The universal demand for the imposition of sanctions against the Pretoria regime, in order to bring it to its knees must be heeded by those who, through military, political and economic cooperation, have helped sustain the racist minority regime.

Today the people of Pakistan reaffirm their unwavering support for the heroic people of South Africa, who are bound to triumph in their just struggle for equality and freedom."

—APP.

CSO: 4220/79

SHOORA COMMENTARY--'MAJLIS WILL NOT WILT BUT GROW'

[Karachi DAWN in English 22 Jun 82 p 14]

[Article by Anis Mirza]

[Text]

ISLAMABAD, June 21: After delivering a 75-minute applause-packed address in the Majlis, amidst packed galleries, President Zia-ul-Huq commenting on the future of the Majlis told this columnist: "no matter what people think, this Majlis-i-Shoora will not wilt but I will nurture it with water and it will grow and flower".

During the budget debate, several members such as Jam Ghulam Qadir Khan of Baluchistan and lawyer Chaudhury Altaf Hussain of Jhelum had said that President Zia had planted the Majlis like a verdant sapling and it needed sustenance and care or else it would wilt.

When President Zia was asked when he intended to spell out the infra-structure of his proposed political system in which the civilians would get a real sense of participation, President Zia said: "I do not believe in giving false hopes but I have given the targets, fixed the priorities and directions have been defined". Those standing close by in the cafeteria, hearing the President's remarks said: "Apparently the inference is towards an Islamic democratic order".

A great part of President Zia's address to the Majlis on Monday evening was focussed on the Islamic measures in the budget such as introduction of Ushr and Zakat collection, and spread of Islamic religious learning.

When President Zia said that previous governments had tried to run democracy in the name of Islam while nurturing scorn and contempt for Islamic tenets, the Shoora members shouted aloud: "shame, shame."

Chairman Khwaja Mohammed Safdar talking to the members at the tea reception said there would be only morning sessions

during Ramazan. The Shoora Chairman said about 100 members had given their names for the budget debate. In all likelihood he remarked the current session might conclude its deliberations around June 29 or June 30.

In the general discussion on the budget on Monday morning, the member who stood apart was Chaudhry Mohammed Altaf Hussain. Speaking in English, attired in a grey executive suit, the former Council Muslim Leaguer called the budget a "rigid document without objectives, purposes and philosophies" structured on "mere adhosisism".

Chaudhury Altaf said a gifted financial wizard like Ghulam Ishaq Khan imbued with qualities of experience and expertise, should have looked to the future instead of resorting to conventional routine. Quoting from the Pakistan Economic Survey 1981-82 he said the foreign debt load was 90 billion dollars. Of the export earnings 26.6 per cent would go in payment of interest. The 'Financial Times' London, according to Chaudhury Altaf, had quoted 38 per cent interest on total earnings.

Charging that the country had mortgaged its posterity, Mr Altaf Hussain quoting from a Pakistan Institute of Development Economics Study, said the country's economic future was chained to the past and with reckless external borrowings, the options for the future generations were severely constrained.

Without taking into account the entire price structure, the Government had put inflation at 9 per cent. But in contrast international agencies Chaudhry Altaf argued, had said that Pakistan's annual development budget was financed by 55 per cent foreign aid, 33 per cent inflation money and only 12 per cent from Pakistan's own resources.

The members gave the Jhelum member a loud applause.

In his 45-minute applause-punctuated speech, Chaudhury Altaf Hussain spoke on Ushr and land revenue. Under the new measure he said the peasant with 1 acre would be harassed by tax collectors whereas those with 12½ acres would be spared. Pleading that Zakat and Ushr should be treated as public law and not personal law Chaudhury Altaf said the solution was to introduce land revenue or agricultural income tax. "But if you insist on Ushr then give relief on Abiyana and other cesses" he added.

Urging that the Majlis be given a form and a shape Chaudhury Altaf warned that if it functioned in a vacuum it would soon languish. Turning to the tax problems of single house owners, he said the Finance Minister should compensate the person who leaves his own house for which he gets a tax concession, and resides in a private rented house for whatever circumstantial reasons. In such a situation he becomes the victim of double taxation.

The voice of Baluchistan's Jam Ghulam Qadir Khan was loud and clear. Speaking in Urdu, Jam Qadir said Martial Law of President Zia had channeled resources for Baluchistan's development. But the problems were stupendous compared to the allocations. A major problem he said, was lack of representation of Baluchistan in the central and provincial services and back breaking unemployment of the poor and the educated. Most of the appointees in Baluchistan Jam Sahib observed were people from other provinces. Calling the Majlis a tree planted by President Zia, Jam Ghulam Qadir Khan hoped that the Government would nurture and care for it.

'CLEAN' OMBUDSMAN SUGGESTED

Karachi JANG in Urdu 17 Apr 82 p 3

[Article by Najmuddin Fakhri: "Appointment of an Ombudsman"]

[Text] Finally, after a debate for 3 days, the Ombudsman bill passed in the Advisory Council by a big majority. The appointment of the ombudsman still remains and the president is going to make that himself. It will depend on his judgment and good office who he selects for this onerous task. We are certain that President Zia will use his good judgment for making an appointment to this office.

The need for establishing this institution was felt because the country's administrative agencies have failed miserably in stemming corruption and the administrative units or wings are constantly getting a bad name. Bribery and maladministration are rampant and it has become imperative that the government control these vices effectively.

Not only will the ombudsman have a wider area of authority but he will also be free of the pressures of the administration. The situation is bound to change after the establishment of this institution. The complaints of a large section of the masses will be alleviated after the appointment of the Ombudsman and it will also help in stamping out the unending corruption which has taken hold in the government departments. The resolution for the appointment of the ombudsman is an expression of the desire of the present government that no stone should be left unturned to remove lawlessness from the beloved motherland and every possible effort should be made to lessen, if not completely eradicate, corruption.

It will be the responsibility of the ombudsman to investigate the injustice done to any citizen and take prompt appropriate action. Without being bogged down in the bureaucratic regulations, it will be his duty to protect people from the harm arising out of irregularities from any federal department.

I do wish to offer my humble advice to the president in regard to the appointment of the ombudsman. I hope the president will heed it. At the time of appointment of the ombudsman, a few things need to be kept in mind. First of all, the person holding this office should be impartial. He should have no connection whatsoever with our bureaucracy. Next, he should be a selfless person with no axe to grind. He should also be just with a good reputation.

He should be God-fearing and dutiful. It doesn't matter even if it takes the president some time to find such a person, because selection in a hurry can have grave consequences, and give people a chance to say bad things.

It will be a mistake to ignore the criticism and fears of many members of the Advisory Council in regard to the proposed appointment of the ombudsman. That criticism should be taken as a guiding principle. During the discussion on the proposed appointment a member of the Advisory Council told an interesting joke. Though it is a joke, it really gives serious people a pause to think.

The honorable member related a story about a rich man who, under advice from a doctor, hired a servant to feed him milk by waking him up in the middle of the night. The servant did the job honestly for a few days and then started drinking half the milk himself and fed him the other half by mixing it with water. The master, perhaps getting wiser, hired another servant to keep an eye on the first one. The second servant joined the first one and both together now started drinking most of the milk and fed the master a little, mixing it with water. The master appointed a third and then a fourth overseer over them. Now the situation reached a point that all four began to drink up all the milk and would apply a little cream on the lips and moustache of the master. One morning when the master asked the servants why he was not fed the milk, they presented him with a mirror and asked him to see for himself--the cream, an evidence of having had milk, was still there.

In our opinion, the functioning of the existing departments should be improved with the help of the ombudsman. However, we need to keep in mind the point raised by an Advisory Council member who is a legal expert. How can one individual, however honest, be able to alleviate the complaints of millions?

We request the administrators to pay special attention to our suggestion.

What needs to be done is that the federal departments, whose branches are all over the country and on whom a considerable sum is spent from the treasury, and their incompetent officials should be brought under the control of this ombudsman and made efficient and effective. Also, access to the ombudsman should be so easy that even a common man should not have any problem in reaching him.

We are confident that the experiment of the ombudsman will be successful in this country. We pray for the success of the steps taken by the government with good intentions.

9859

CSO: 4203/115

also meant a docile attitude towards the Soviet Union.

The decline of Pakistan in regional and world affairs was no accident of history. Zulfikar Ali Bhutto, the last elected ruler of Pakistan, may well have been an important factor in this respect from the time he became foreign minister of Pakistan under Ayub Khan. Bhutto, who was inspired by the idea of abandoning the regional status of Pakistan, should bear high responsibility for the involvement of his country in two wars with India, first under Ayub Khan and then under Yahya Khan, believing that the Chinese were ready to support Pakistan.

In 1965 Lyndon Johnson, then Democratic president of the US, coerced Pakistan into negotiating an armistice in the first war. A shaken Ayub Khan went to Tashkent in the Soviet Union to conclude a peace treaty with Indian Prime Minister Lal Bahadur Shastri. The agreement was widely unpopular in Pakistan and in 1969 Ayub Khan resigned after a wave of discontent whipped up by Bhutto, who had earlier dissociated himself from Ayub.

In 1971 India could chop off Pakistan's eastern wing and convert it into Bangladesh. Yahya Khan stepped down in the aftermath of the debacle. After six years of trial, tribulation and ceaseless opportunism, Bhutto became president of Pakistan. Under him a new equation was struck with India at the Simla conference with Mrs Indira Gandhi.

This perhaps explains New Delhi's lingering nostalgia for Bhutto. *Blitz*, a pro-establishment Indian newsweekly known for its pro-Soviet views, once described him as "the most potent ally that India can have in the world." His death by hanging was a widely mourned loss in New Delhi.

General Zia has sought a departure from Bhutto's foreign policy paradigms. After the Soviet invasion of Afghanistan Zia has resolutely identified with the interests of the Muslim Afghan people. More than two million refugees now shelter in Pakistan. Support for the Afghan cause has been solicited from Muslim countries as well as from the US which has promised a \$3bn loan to buy arms.

The increased availability of military assistance has served to estrange India which has attempted to counter Pakistani arms acquisition by striking a similar deal with the Soviet Union. Considerable progress was made on this question during the recent visit of the Soviet Defence Minister Dimitri Ustinov and the Soviet army and navy chiefs to New Delhi.

Despite increasing Indo-Soviet military collaboration Mrs Gandhi has sought to distance herself from the Soviet Union's Afghanistan policy. She has cautiously welcomed General Zia's 1981 proposal for a "no war" pact between India and Pakistan. After Agha Shahi's departure from office, enthusiasm for the no war initiative waned in both New Delhi and Islamabad.

In 1982 Pakistan moved closer to the Iranian position on the Afghan question. Iran's Afghanistan plan presented in November 1981 calls for the withdrawal of Soviet troops, the deployment of an Islamic peace-keeping force and the establishment of an international council of ulema charged with the establishment of a provisional Islamic government. Elements within this plan have been endorsed in joint communiques in both Islamabad and New Delhi during visits of the Iranian foreign minister in 1982.

The notion of a rapprochement with Pakistan is widely popular in India. Pakistan's stand on Afghanistan has found support from unexpected quarters in India. Those who favour Pakistan against Mrs Indira Gandhi include sections of the militant Bhartiya Janata Party and the main opposition that it is only Mrs Gandhi's personal dislike of Zia, a vested interest in keeping the Indo-Pakistani hostilities alive, and Russia's strong hold over Indian affairs gained in 1970 that is preventing the normalisation of relations.

Such a normalisation will almost certainly lead to a reduction of superpower influence in the subcontinent and therefore will be strongly resisted by the USSR which has most at stake in this part of the world. Further, normalisation will also require a just and long-term solution of the Kashmir dispute which has soured Indo-Pakistani relations since independence in 1947.

FOREIGN POLICY DIRECTION DISCUSSED

London ARABIA THE ISLAMIC WORLD REVIEW in English Jun 82 pp 19-20

[Article by Inbisat Ahmad Alvi]

[Text]

☉ The recent resignation of Agha Shahi, Pakistan's external affairs minister, signifies a major shift in the country's foreign policy. Shahi was undoubtedly a sick man – the stated reason for his resignation – but his illness was not the main reason for his departure.

The diary writer of *The Times* of London was not far off the mark when he predicted well before the event Shahi's fall over serious policy differences with General Muhammad Zia ul Haq. Shahi had long favoured and pursued an entente cordiale with India and the Soviet Union. While the need to normalise relations with the two giant neighbours is widely felt in Pakistan, few wish to continue to proffer the olive branch in the absence of a positive response from New Delhi and Moscow. Shahi, his critics say, was incurably optimistic about the prospects for rapprochement.

In the foreign ministry and the armed forces many disagreed with what they regarded as a policy of "appeasement." Nevertheless, Shahi continued to be the prime mover of Pakistani diplomacy and his continued influence on General Zia had begun to rattle the hardliners. It was under pressure from them that Zia agreed to relieve Shahi of his post.

Shahi has, however, been spared the disgrace a man of his stature would normally face in the event of a fall. The regime has not disputed the "ill health" theory of his departure for two reasons. First, whatever views Shahi held of relations with India and the Soviet Union, he was a respected figure in the bureaucracy and diplomatic circles of the country: his graceful fall is a tribute to the services rendered by him as a civil servant for

more than four decades. The second reason is more political – to make the changes in foreign policy that will follow look less obvious.

Shahi's years in office saw the decline of Pakistan as a regional power following its decisive defeat in the Bangladesh war with India in 1971. One can still recall the Ayub Khan years when as far back as 1964 Pakistan received military assistance from both the US and the USSR, surpassed the much bigger armed forces of India in fire power, maintained a steady level of economic growth, and stood almost on a par with India in prestige at world forums, despite Pakistan's membership of Seato and Cento.

Pakistan is now non-aligned and yet despised by the Russians and often also mistrusted by its erstwhile western allies. For the Russians, some observers believe, it is the last domino of Islam that must fall if they are to ensure Soviet hegemony in the area, leading to supremacy over the Gulf and the Middle East. Washington is apprehensive of Pakistan because of its nuclear capability. The powerful

Israeli lobby in the US anticipates danger in this for the safety of Israel. A side effect of this interplay of forces has been the growth of Indo-Israeli collaboration in nuclear technology. Since India also has the advantage of the military and economic support conferred by its friendship treaty with the USSR, it has finally emerged as the sole guarantor of the regional balance of power in South Asia.

Shahi belonged to the small but influential group of ideologues at the Pakistani foreign office who acknowledged this pre-eminent position of India and favoured a policy of adjustment with the "new South Asian realities." This tacit surrender to Indian hegemony

JOINT LEADER FEDERATION ESTABLISHED

Karachi DAWN in English 23 Jun 82 p 12

[Text]

Five trade union organisations have merged to form "joint Labour Federation".

This was disclosed at a joint Press conference addressed by Mr Mohammad Shafiq Qureshi of National Mazdoor Council, Mr Mohammad Yaqoob of Punjab Workers Front, Mr Gul Rehman of Azad Mazdoor Federation NWFP, Mr Jafar Khan of the Surkh Pucham Mazdoor Mahaz and Mr Fakir Mohammad Himayati of Sind Labour Organising Committee.

The new Federation demanded Rs 1500 as the minimum wage for the productive labour force, withdrawal of taxes on fuel and cement in the new budget, restoration of right to strike, collective bargaining right for all employees serving in the Government and semi-Government organisations and teachers and para-medical staff, repeal of Employment Standing Order 1968 and essential services Act, Collective bargaining for the employees serving the financial institutions.

They demanded right of jobs and unemployment allowance for all, opposed the process of denationalisation of takeover industries and release of all detained political and labour leaders.

Mr Shafiq Qureshi was elected President of the Federation. Mr S.P. Lodi Secretary of the Workers' Coordinated Committee, also announced his full support to the merger of these organisations.

ADOPTING NEW LABOR POLICY IS URGENTLY RECOMMENDED

Karachi JANG in Urdu 18 Apr 82 p 3

[Editorial: "When Will This Good News Become Reality?"]

[Text] Shortly after coming into power the present government announced that, in order to improve the industrial climate, it would institute a new labor policy. But when the minister-in-charge for these policies departed from his post, he left nothing for the men who filled his post but a few announcements. The present minister, who has a long record of public service, often gave the happy tidings that the government is formulating a new labor policy based on Islamic principles.

The question arises why this matter is not moving further than the announcements. A living example of the "virtue" of the current labor policies is that martial law had to be enforced even to manage the affairs of Pakistan International Airlines [PIA]. It is a well-known fact that foreign investors, after they have looked at the aspects, when they examine the labor laws, decide not to invest their capital. We fail to understand, therefore, why this delay exists in the enforcement of new labor policy, and why the old policy is being lengthened though it has failed to satisfy both industry and labor.

Now there is a need for the prompt enforcement of new labor policy so that long-standing labor problems may be resolved and a mutual trust, which is long overdue, may be restored in the industry.

9859

CSO: 4203/115

DEMONSTRATORS' ARRESTS REPORTED

Karachi DAWN in English 23 Jun 82 pp 1, 10

[Text]

Police detained about 26 persons, including six women for trying to take out a small procession in Karachi on Tuesday but later released all of them, except one, according to a Press Note issued by the Sind Government on Tuesday night.

Following is the text of the Press Note.

"A group of 40 to 50 political workers tried to take out a small procession in Karachi on (Tuesday) afternoon.

"They were shouting slogans and were carrying banners. They were asked to disperse, as this was in violation of the existing restrictions on taking out processions.

"On their refusal, 26 persons including six women, were detained.

They were released later in the evening. Only one person, Mr Nafis Siddiqi, continued to be detained as he was wanted by the police.—APP.

40 ROUNDED UP

Our Staff Reporter adds: About 40 political leaders and workers, students and members of different women organisations were rounded up by the police in Saddar area on Tuesday afternoon for trying to stage a demonstration in support of the Palestinians.

They were arrested in small batches and taken to nearby police stations in pick-ups.

Hundreds of political activists belonging to the Movement for Restoration of Democracy (MRD) and defunct Pakistan National Party (PNP) were present to participate in the planned demonstrations.

But a strong police, posse, armed with teargas shells, guns and sticks, frustrated their attempts to take out a procession from Saddar to the American Consulate to register their protest against the Israeli aggression against Lebanon and the US policies in the Middle East.

About a dozen women leaders were also held by the police.

The Palestinians who also participated in the demonstration made an attempt to take out a procession. But the armed police chased them out and dispersed them. While dispersing, they raised slogans against the Israeli aggression in Lebanon and American support to the Zionist invasion.

About four handbills including one by the Palestinians, were distributed among the people who were there to watch or participate in the planned demonstration.

The shopkeepers in the Saddar area pulled down their shutters as the police tried to disperse the crowd.

The first political leader arrested from the scene was Mr Mubashir Qaiserani of defunct

PNP who was wanted by the Police since Monday night.

Prominent among the arrested persons were: Mr Nafees Siddiqi of the defunct Tehrik-i-Istiqlal, Mr Alamdar Haider of defunct Qaumi Mahazi-Azadi, Mr Umer Mengal of the defunct PNP, Mr Mahmoud Ali Asad, President of Karachi APNEC (Barna group), Prof Zafar of Karachi University, Mr Hasil Khan Baluch, President of the United Students' Movement, Karachi University, Begum Mumtaz Noorani, President of the Jamhuriat Pasand Khawateen, Begum Iqbal Sultana, member of the Central Committee of the defunct PNP, Begum Asghari Rahim, Miss Nasreen and others.

The policemen in plain clothes out-numbered the uniformed police and most of the persons were identified and rounded up by them.

Earlier, on Monday night, police had picked up Mr Yusuf Mustikhan, President of defunct PNP (Karachi branch), Mr Abid Zubairi of the defunct NDP, Prof N.D. Khan, Mr Bahar Ali Baluch of the defunct Qaumi Mahazi-Azadi, Baluchistan branch. All of them were taken to Karachi Central Prison and detained for 30 days.

Mrs Shamim N.D. Khan of the defunct Peoples Party, was interned in her house for a period of 30 days.

DOCTORS STRIKE, ARRESTS REPORTED

Islamabad THE MUSLIM in English 21 Jun 82 p 8

[Text] Peshawar, June 20--About 80 members of the Pakistan Doctors Organisation (PDO) were arrested in Peshawar this afternoon and their hostels were sealed by the administration. Today was the first day of the current 3-day a week token strike as decided by the central body of the PDO.

A PDO spokesman said about 40 of the doctors had been held from the Khyber Hospital and an equal number from the Lady Reading Hospital. The Doctors, he said, had earlier been asked to vacate the hostel but they refused.

The spokesman said under the circumstances junior doctors would reconsider their decision to provide emergency cover.

Official sources when contacted by 'The Muslim' confirmed the arrests and the sealing off of the hostels.

The PDO further said the house officers had also been relieved of their jobs for the time being.

The organisation in the meantime has condemned the Khyber Medical College Authorities for allowing the police to enter the college premises.

Our Staff Correspondent from Faisalabad reports that junior doctors of the District Headquarter Hospital today observed strike to press their demands.

A spokesman of the striking doctors said they would continue their protest programme in accordance with the central committee decision till the acceptance of their demands. He said they would not yield to any pressure nor would they take law in their hands.

Meanwhile the Medical Superintendents of the DHQ Hospital has on the orders of the provincial government terminated the house jobs of 34 junior doctors including four lady doctors.

Press Note: Meanwhile, according to a government Press release in Lahore, some doctors of Faisalabad and Multan teaching hospitals struck work today.

The Press release recalled that in response to the calling off the strike of doctors, it had been stated that the government would adopt a sympathetic stance towards the striking doctors.

Accordingly, the sentences of six convicted doctors were suspended. Of these, one doctor who had applied for clemency has since been granted pardon by the concerned Martial Law Court, and as such, he has been reinstated in service. The cases of the remaining five doctors, the press release said would be sent to the military court upon the receipt of their petitions for clemency.

Of the 20 doctors who had been served show cause notices, only 14 have responded, and of these, six have already been exonerated. The cases of the remaining doctors, who have responded to show cause notices, are under consideration.

During the strike, 76 doctors had either been transferred or their services terminated. Of these 21 doctors have since been cleared for restoration to their original appointments. The case of the remaining doctors will be considered upon the receipt of their explanation.

The Press release said this information was being made public as some of the vested interests were trying to investigate and harm the interest of young doctors despite the fact that the government of the Punjab had already been very liberal in meeting most of their demands. At the Federal Government level too, it said a special committee was examining some of their other demands.

CSO: 4220/96

NWFP ACTION IN DOCTORS' STRIKE EXPLAINED

Karachi DAWN in English 23 Jun 82 p 4

[Text] Peshawar, June 22--NWFP Government in a handout issued on Monday said the junior doctors in the NWFP have been regularly on strike 1982, twice a week, in order to press their demands without realising that their absence from duty has been causing great inconvenience to patients in Lady Reading and Khyber Teaching Hospitals, Peshawar. The Government, it said, has been showing great patience and trying to persuade the doctors to end their strike as their profession demands selfless service to suffering humanity. Official persuasions and the leniency failed to produce healthy effect on members of this community, it added.

"While the doctors in Sind and Punjab have called off their strike after reaching an understanding with the Government in regard to their demands, the House Officers and other doctors in Peshawar continued to go on strike with one day not even giving emergency cover to the patients, thus putting the patients and their relatives to unbearable inconveniences. All the persuasions having failed, the Government served notices on the House Officers to vacate their hostels which they resisted.

It may be mentioned here that doctors doing house jobs in hospitals have been provided maximum facilities by the NWFP Government by means of ensuring one hundred percent house jobs for them besides hostel facilities though they are not regular employees of the provincial Health Department.

"The House Officers on one hand were not interested in their training and on the other were creating inconvenience in the smooth running of the hospitals. As a result, the NWFP Government had no alternative but to remove them from the hostels and when they resisted action had to be taken against defaulters. In all, seventy of them have been detained. The situation is well under control," the handout concluded.

CSO: 4220/94

STRIKE CLOSES TECHNICAL TRAINING CENTER

Karachi DAWN in English 22 Jun 82 p 3

[Text]

The Government Technical Centre, North Nazimabad, has been closed indefinitely following a strike by both students and staff members to protest against the transfer of the Principal, Mr Gulzar Ali Shah, to Sukkur.

The 800 students of the Centre, along with the staff, began their protest strike last June 15, one day after the principal was given the transfer orders.

Mr Gulzar handed over charge of the Centre on June 16 to its new head, Mr Mohammad Ali (who has been Principal of the Sukkur Technical Training Centre).

After the students' went on strike last Tuesday, the Secretary of the Sind Labour Department, ordered the indefinite closure of the Centre.

Mr Gulzar served as principal of the North Nazimabad Government Technical Training Centre for over five years, and during his tenure the number of students receiving vocational education there has doubled, and defective tools and machines were repaired and where necessary replaced.

Eleven trades are taught at the Centre and these include automobile technology, radio electronics, machinist, welding, carpentry, air conditioning, refrigeration, foundry etc.

Labour Department officials were unable to say when the Centre would reopen.—APP.

ADVISER EXPRESSES OPTIMISM ON POPULATION PLANNING

Karachi DAWN in English 16 Jun 82 p 10

[Article by Anis Mirza]

[Text]

ISLAMABAD, June 15: Pakistan's Population Welfare Plan 1981-1984, linking the demographic situation with development planning and the socio-economic needs of the people, has received all-round support from President Zia-ul-Haq, international agencies and representatives of local bodies.

In an exclusive interview with this correspondent, Dr. Atiya Inayatullah, Adviser to the President on Population, said for the first time a 20-year perspective Plan had been converted into the Five-Year-Plan cycle and scaled down to a workable pragmatic programme.

Expressing her appreciation of President Zia's support to the programme, she said "in the unfolding of the Plan the President had emphasised the need to balance the country's population with its resources and basic needs."

Speaking about the programme's financial support, Dr. Inayatullah said Rs 19 crores had been earmarked in the Annual Development Budget, one-third of which was the foreign exchange component while two-thirds was Government's own contribution. As regards support from multilateral agencies, she said the United Nations Fund for Population Activities would be contributing 30 million dollar for the period ending 1984. OPEC's Special Fund has made an ad hoc grant of 1.5 million dollar and the Asian Development Bank would be lending its support through the Punjab Hospitals Project.

The World Bank which has completed its project document titled the World Bank Popula-

tion Project would be supportive to the extent of 15 to 18 million dollar for the first project. She said the Bank's support and interest was indicative from the fact that the Division had been asked to take up preparation of the second project for which an allocation had already been made in the first project.

Turning to bilateral assistance, she pointed out that Canada, US the United Kingdom, France, Australia Netherlands and Japan had showed interest in the programme through grants. Ongoing consultations, she said, had been maintained and exchange of experience and training resources conducted with the People's Republic of China Indonesia, Thailand, Sri Lanka and the Philippines.

Referring to the response from the four provinces, Dr. Inayatullah, Executive Vice-President of the Family Planning Association of Pakistan and Member of the International Planned Parenthood Federation, said in looking for a baseline institution the local government system was available in all the provinces. "It was a natural starting point of the democratic system as well as the demographic situation" she added.

She said over the months contact with various tiers of elected local representatives had been established, from Provincial Councils right down to the Union Council level. She said through Advisory Management Committees 5000 local leaders had been enrolled in the country. These leaders majority of whom were men would

plan, programme and also implement the population concerns of the government. The 6000 elected representatives consist of local influentials such as lawyers, teachers, doctors, agriculturists and so on.

Pointing to the fact that the Population Welfare Plan was not a cut-off Plan, but consciously constructed on past and present experiences, Dr. Atiya Inayatullah, who was awarded the United Nations World Population Year Ceres Gold Medal in 1974, said categorically: "What we have done is to consciously pick up those methodologies and approaches which are in conformity with the socio-cultural environment and economic needs of the people."

The prime purpose of the Population Welfare Plan according to the Population Adviser, was to generate public awareness in the population situation and thereby achieve the national demographic goal of bringing down the growth rate from 29 per cent to 2.7 per cent during the present Plan period.

Dr. Atiya Inayatullah who spends 15 days in a month touring the countryside, speaking about the response of women added: "The response from women has been fantastic, particularly from primary school teachers. We have reached out to 8500 primary school teachers for whom we had orientation courses on population education."

Calling the programme a women-employment generating and career-structured scheme, she observed that the Traditional

Birth Attendants (TBA) or Dais who were indigenous influentials in child and mother care had been contacted. She said 5000 BBA's had been reached with the idea of upgrading their traditional skills.

Asked about the response of the Ulema to the programme, the Adviser to the President on Population, said she had several occasions to meet Ulema who were both men of vision and learning. They recognised "that Islam was a live, moving religion and that in a developing, progressive Pakistan, there was no place for orthodoxy and fanaticism."

About reported wholesale retrenchment in the Population Department, Dr. Inayatullah said on the basis of certain organisational requirements all employees were given an opportunity to regularise their appointments and thereby become full-fledged government servants.

CSO: 4220/79

ESSENTIAL GOODS READILY AVAILABLE, MINISTER SAYS

Karachi DAWN in English 23 Jun 82 p 10

[Text]

ISLAMABAD, June 22: The Federal Minister for Industries, Mr Elahi Bux Soomro said here yesterday that articles of daily use are easily available at all the chains of the Utility Stores Corporation.

There was no scarcity of any item of essential commodities and varieties of pulses and gram were available in abundance, he told newsmen after the inspection of the Utility Stores Corporation's Super Market near Aabpara here on Monday evening.

The Minister said that 1,12,000 tonnes of pulses have been imported so far to meet the requirements of the consumers. There is a marked decrease in the price of gram, in particular, and other varieties of pulses, in general, in the wholesale markets.

He urged the staff of the Utility Stores Corporation to work with devotion and serve the consumers during the month of Holy Ramzan wholeheartedly.

The Minister was informed that sales had increased by 104 per cent with the profit of Rs. 20 million, while overhead expenditure was reduced by more than 20 per cent during the last financial year.

An official of the Corporation also told the Minister that the experiment of establishment of Super Markets has fairly been a success and it was planned to open six more self-service super markets in various cities of the country.—APP.

SHOORA COMMENTARY: BAN ON IMPORT OF LUXURY GOODS REJECTED

Karachi DAWN in English 23 Jun 82 p 12

[Article by Anis Mirza]

[Text]

ISLAMABAD, June 22: A resolution moved by veteran politician Mr Hamza of Faisalabad urging the Government to impose a ban on import of luxury goods and such goods produced within the country, was rejected by the Majlis-i-Shoora after a lively debate. About 9 members participated and from the front Ministerial benches bespectacled Finance Minister Ghulam Ishaq Khan rose to expostulate on the Government's policies and point of view.

In an extended animated address, Mr M. A. Hamza lashed out at the dictatorial role of the International Monetary Fund and the aid-giving agencies and said the commonman was groaning under the debt burden and the withdrawal of subsidies. He charged that the remittances from overseas Pakistanis were being put to non-productive use and preponderance of VCR's colour TV, air-conditioners and other items of luxury were making the people lethargic and luxury loving.

"Learn a lesson from India." Mr Hamza said "where large remittances are directed towards gainful investment and self-sufficiency". "Pointing to the growing galaxies of large palatial villas furnished with glittering imported items, the former Pakistan Democratic Party member lamented that from the 22 rich families of the sixties "this poor Muslim country" had now 2200 prosperous families.

Turning to the "current lesson from Israel" in Lebanon, Mr Hamza said for all their oil wealth and petro-dollars the Muslim World enveloped in luxuries had failed to develop its manpower and instead of moving towards Muslim unity and self-sufficiency it was a mass of vulnerable States within easy target of the super-Powers and Israel.

Quoting figures from the Pakistan Economic Survey, Mr Hamza gave a quick run-down and pointed to the 32.6 per cent increase in imports and argued that exports in the last year had gone down by 14.5 per cent.

Naeemur Rahman suggested that Pakistan should learn from India and Jam Ghulam Qadir of Baluchistan said all smugglers of luxury goods should be shot and punished however influential.

Finance Minister Ghulam Ishaq Khan speaking on the private members resolution said what was luxury to one person might be a necessity to another. He said airconditioners and frigerators were necessities for hospitals and these so called luxuries were fast becoming tomorrow's must items. While he endorsed the spirit of the Hamza resolution the Finance Minister said the evolution of a national character and a change of heart and mind should be precursors to changes in government policies.

Defending the Government's policies Mr Ghulam Ishaq Khan

referred to the generation gap in the middle class when the single large room was the living dining and bedroom. In his student days he said a radio was visible only in his Professor's lab. Today the transistor was a part of life he added and the multi-bedroom house with a dining-cum-living room was the style of the middle class.

In the general discussion on the budget on Monday journalist writer from Karachi Mahmooda Sultana spoke with tremendous gusto and verve. A former Muslim Leaguer who had been active in organising the women's wing of the Muslim League, 39-year-old Mahmooda picked up with courage the rather prickly subject of women's emancipation and participation and the deluge of recent attacks on the women by the Ulema under the invocation of Islamic injunctions.

Speaking with abandon in Urdu, the Delhi-born woman member who has been in active politics since two and a half decades said while she respected the learning of the clergy, many of the Ulema who were preoccupied in unnecessarily attacking women and attempting to negate their positive role in the making of

Pakistan should in fact be working and propagating Islam in non-Muslim countries.

Daughter of journalist Sardar Ali Sabri, ex-politician Mahmooda said the women of Pakistan were faced with hundreds of basic problems: livelihood, education, health facilities, and so on. Instead of channelling their aspirations towards improvement of their status the Ulema had made them the target of attack and an attempt was being made to retard their forward progress.

Referring to the allocation for elections in the current budget, Mahmooda Sultana raised the query: "Money for what elections?" She recapitulated the results of the 1970 elections when one part of the country broke away and the 1977 elections "when democratic principles were trampled". When she said democratic roots needed to be strengthened first, shouts of "Shabash Mahmooda Sultana" swept across the Shoorah auditorium.

Alluding to Mir Taqi Mir the woman member from Karachi recited:

Nahaq Ham Shoorah Pey
Tohmat Hai Mukhtari Ki
Jo Chahey So Sarkar Karey
Ham Ko Abas Badnaam Kiya.

CSO: 4220/93

ORANGI PILOT PROJECT TO BE LAUNCHED

Karachi DAWN in English 22 Jun 82 p 12

[Text]

ISLAMABAD, June 21: The Government of Pakistan, Bank of Credit and Commerce International (BCCI) and the United Nations Centre for Human Settlements (UNCHS) signed an agreement here on Monday launching the "Orangi Pilot Project", with a contribution of 2,000,000 dollars from the BCCI foundation, charitable organisation established by the BCCI under the laws of the Government of Pakistan.

UN Centre for Human Settlements will work as the executing agency of the project. In order to accomplish the purposes of the agreement, UNCHS will contribute, through UN Habitat and Human Settlements Foundation, a token sum of 10,000 dollars, but will be responsible for providing international expertise for the implementation of the project. It will also undertake to administer the receipt, management and disbursement of funds. BCCI Foundation will be the

national executing agency of the three-year project, which is expected to start from July 1, this year.

The agreement was signed by Mr. Javed Zafar of Economic Affairs Division, on behalf of the Government of Pakistan, Syed Abid Ali Shah, on behalf of the BCCI Foundation and Mr David E. Lockwood, on behalf of the UN Centre for Human Settlements.

The main objective of the project is to promote the comprehensive development of Katchi Abadis of Karachi, through the formulation and implementation of an integrated urban rehabilitation demonstration project in Orangi. The project is expected to provide the basis for a comprehensive programme of rehabilitation and integration of the large number of refugees from Bangladesh and of the low-income migrants from all parts of Pakistan, settled in Orangi.—PPI.

CSO: 4220/94

FOREIGN GOODS BUYING SPREE REPORTED

Islamabad THE MUSLIM in English 21 Jun 82 p 8

[Article by Saeed Qureshi]

[Text]

ISLAMABAD, June 20: Banned foreign luxury goods and textiles continue to be the major attraction on the Pakistani markets especially in the sister cities of Rawalpindi and Islamabad.

In the posh Jinnah and Super markets one can buy Italian shoes and leather jackets, Taiwan shirts, Japanese VCRs and other electronic goods, British cosmetics and make up paraphernalia. The sellers are tight lipped as to how they get all these costly yet much in demand goods. Competent sources say that well entrenched business circles and those calling themselves as free-lance traders are engaged in this illegal but highly profitable business carried through air and sea ports.

The middle-man who travels to foreign countries maintains his contacts both with the clearance staff at the airports and the shopkeepers involved in this activity. The goods are dealt without making an entry in the books and those

doing so receive a handsome amount. It is said every day banned goods worth millions of rupees get cleared at the Rawalpindi and Karachi airports which ultimately find their way in self-service stores and other big shops.

The most flourishing business is said to be that of cassettes and

VCRs which fetch large profits to the importers. The Pindi Bara circles say the government cannot check their shops as they have obtained stay orders.

A CBR official while commenting on the state of affairs said "It shows there was some sort of lacuna in the customs regulations otherwise how could banned items be present in the country."

A shopkeeper selling these banned items said there was no dearth of buyers who were ready to pay any price provided they ever convinced these were foreign goods. He said he would sell Italian pair of shoes for Rs. 950 and a shirt for over Rs. 200. Same was the case with cosmetics and other items.

CSO: 4220/96

LONG-RANGE ECONOMIC DIRECTION QUESTIONED

London ARABIA THE ISLAMIC WORLD REVIEW in English Jun. 82 pp 20-21

[Text]

 The Zia government prides itself on its economic performance. It claims that the Pakistani economy is in the process of fundamental restructuring. As against the "dark days" of Bhutto's mismanagement a new, rational, pragmatic approach has been adopted and, it is claimed, this is already bearing fruit. Whereas during the period 1971-77 real Gross National Product increased at an annual rate of 4.88 per cent, the rate of growth of real GNP during 1977-1981 has been as high as 6.76 per cent. Significant improvement has been recorded in both agricultural and industrial production.

However, an impartial reading of official statistics (see box) does not give evidence of fundamental restructuring. The Pakistan economy remains agrarian-based with an inordinately bloated service and public administration sector. Its international vulnerabilities are perhaps more evident today than ever before. The country continues to live well beyond its means. External indebtedness continues to mount. Dependence on foreign aid and on the continuing flow of foreign remittances remains pronounced. The ratio of savings to GNP remains modest – although significant gains have been made in this respect during the past 4½ years. Inflation remains an acute reality. The volume of monetary assets increased from Rs22,059m in 1972 to 1973, to Rs51,773m in 1977 and to Rs103,997m in 1981.

It is claimed that the main difference in the economic performance of the People's Party and the military administration lies in the latter's ability to restore economic stability and infuse a feeling of confidence among private sector investors. The economic philosophy of the Zia administration may be summed up in the phrase "back to the golden sixties" when Ayub Khan's "growthmanship" brought about

an economic "miracle" hailed by Harvard developmentalists as conclusive proof of the superiority of the doctrines of laissez-faire and market rationality.

The economic policy of the Zia administration places emphasis on revitalising the private sector and making it the main motive force behind the nation's economic expansion. Much attention has been paid to the task of fostering a favourable socio-economic environment and on encouraging the growth of both domestic and foreign private sector investment. Liberal tax concessions have been extended to private enterprise and despite a generally tight monetary policy the banks have been encouraged to be generous as far as their lending policies to the private sector industrial enterprises are concerned.

The difference between private corporate sector investment and saving has continued to grow throughout the past 4½ years. Despite this the performance of the private sector has been disappointing – particularly in terms of its contribution to domestic capital formation. Under the Zia government public sector savings as a proportion of GNP have increased from 1.71 per cent in 1977 to 4.07 in 1981.

Against this, private sector savings have fallen from 11.21 per cent of GNP in 1977 to 8.79 per cent in 1981. The average private sector saving to GNP ratio was 8.51 per cent in the Bhutto period and 9.84 per cent under General Zia. On the other hand, the private investment to GNP ratio was 4.8 per cent in the Bhutto era and 4.7 per cent during the military administration.

Thus, despite a marginal improvement in terms of saving, the private sector remains as unwilling to invest its resources today as it was during the days of Bhutto. As a senior official of the prestigious National Bank of Pakistan

told me: "The private sector investment boom seems to have effectively petered out. Although desirous of extracting the last ounce of concession from the government, the private sector is becoming increasingly reluctant to risk its money in Pakistan." It prefers to transfer resources to lucrative Middle Eastern markets, and to numbered Swiss accounts or to indulge in conspicuous consumption.

This is, after all, a reversion to the policies of the "good old days" of Ayub Khan when capitalist "robber barons" reaped the benefits of government patronage without exposing their own funds to risks of loss and mismanagement. Then, as now, deficit financing and the expansion of bank credit were the main sustainers of industrial growth. The reluctance of the private sector to finance economic expansion is graphically illustrated by the fact that the rate of growth of time deposits at the scheduled banks has been falling since 1977. In 1980-81, whereas real GNP grew by 5.5 per cent, time deposits increased by only 3.12 per cent.

It is clear, therefore, that government initiatives to stimulate private sector expansion cannot be described as very effective. A return to the economic policies of Ayub Khan has ensured that the chaos and confusion characteristic of the last days of the Bhutto regime are no longer a feature of Pakistan's economic life. The economy, however, remains exposed to all the dangers that beset – and ultimately destroyed – Ayub Khan's economic strategy. Chief among these is the gradual erosion of the real income of the urban poor and the fixed income groups.

It was expected that the Islamisation programme of the government would make a contribution to income redistribution. The measure likely to have the most pronounced impact on the pattern of income distribution is the introduction of zakat. But total zakat collections have been trivial – they represented 2.17 per cent of total government revenue for the fiscal year 1980-81. It has been estimated that zakat collections can enable the government to increase the transfer of resources to those living below the poverty line by just Rs45 a year – less than 1.5 per cent of the national per capita income. Thus, the implementation of the zakat ordinance has proved to be ineffective as a means of reducing income disparities.

Interest-free loans provided to students, small farmers and fishermen and first-time house buyers are also insignificant – as is the entire profit and loss sharing experiment, whereby people are encouraged to put money into new profit and loss deposit and savings

accounts and to invest in participation term-certificates and modaraba certificates. Funds mobilised under the profit and loss sharing scheme represented about 3.5 per cent of the total bank deposits in the country.

Islamisation is thus ineffective as a means for alleviating poverty deprivation. It was originally hoped that Islamisation would be a means for "disciplining the masses." In August 1978 when the Pakistan National Alliance was taken into government, Dr Meenai, an ex-deputy governor of the Pakistan Central Bank and a close confidant of Ghulam Ishak Khan, the federal finance minister, told me: "The politicians should prepare the people for material sacrifices. This is essential for our economic recovery." But ordinary people cannot be persuaded to tighten their belts when the military and bureaucratic top brass live in luxury in palatial residences, surrounded by hosts of servants and free to accumulate money outside the country. The Alliance politicians fell from favour because they demanded restrictions on the corrupt bureaucratic and military administrators and advocated changes that would have benefited the poor. Today the role of "disciplining the masses" has been assigned to the president's hand-picked Federal Council. These men owe their political eminence to the bureaucracy and they can be expected to be loyal and complacent.

It is evident that the poor people of Pakistan can put little faith in this current bunch of yes-men, and as their economic conditions deteriorate resentment and frustration will mount. A crucial factor is the favourable weather conditions that have sustained high levels of agricultural production during the last three years. Bad weather and crop failures can swiftly destroy the air of relative stability that

prevails in the economy and create pressures similar to those experienced during the last days of Ayub Khan.

The economic establishment in Pakistan remains largely unconcerned. Perhaps the most significant aspect of the "back to Ayub Khan" movement is the rapidity with which a second generation of Harvard-trained developmentalists has emerged to seize control of the levers of economic decision-making. This is reflected in the rise of Dr Mahbub al Haq, who is back from the World Bank as the new deputy chairman at the planning ministry and the re-establishment of Dr Navab Haider Naqvi, now director of the Pakistan Institute of Development Economics (PIDE).

In Ayub Khan's day PIDE occupied pride of place within the economic bureaucracy. Today it is well on the way to regaining its former eminence. All its eight senior economists are

American trained. Its research programme centres on building macro-economic models and input-output tables popular in Pakistan during the early 1960s. Its publications are replete with the themes and cliches currently fashionable in American academia. It is thus natural that PIDE is not concerned with questions of institutional change or the restructuring of economic relationships within the country.

It is thus clear that a reassuring chorus of applauding professionals has quickly gathered to provide encouragement to economic policy-makers bent on reviving Ayub Khan's teachings. The events of the late 1960s have shown how ineffective these "model builders" prove to be when foreign support is withdrawn and domestic economic conditions deteriorate. Ayub Khan's political inheritors feel that they can rely on rising levels of economic assistance – particularly from the Arab countries. But if these Arab donors realise that the economic policies of the Zia government are as vulnerable as those of Ayub Khan, they may feel compelled to re-examine their attitude towards the present rulers of Pakistan.

CSO: 4220/91

ECONOMIC POLICY CRITICIZED; STATISTICS DISPUTED

Islamabad THE MUSLIM in English 21 Jun 82 p 4

[Article by Ahmad Bashir]

[Text]

WHILE cranes glide in the Punjab's dusty skies over pools of fresh water, down below, under the sparse shade of thorny keekar trees, lie peasant babies, crying for a drop of milk. Their mothers do not hear them. They are busy gathering ears of left over wheat for a meal. Winnowing is already over. Cotton seed is being broadcast, and soon there will be rains, and they will then be planting saplings of fragrant Basmati for their lords in knee-deep mud, infested by cobras black and khaki. Bitten by big black ants with red heads, the babies will continue to cry through the long hot summer. At sundown, mothers, with backs stiff as wood on account of day long bending over their planting, will take them home. Home? And what good will the ADP bring them?

The worker is sweating over the lathe machine, or is feeding a furnace, or is unloading a ship, but his heart is not in it. He has a family of five to feed on Rs. 500/-, or less, or more. The clerk in the office, the teacher in the school, are all worried. Will Budget bring them relief? It comes every year. It makes matters worse. But can/be protest?

While cranes glide in the Punjab's northern skies effortlessly, vultures are scrambling on the ground below looking for dead

meat. They take what they want. They always do. They need more and more and more of it, every year. What do they give in return? Higher prices, higher taxes, higher ideas on life, threatening sermons, and another dose of absolute terror. Pakistan is passing through a critical stage of its existence, they say. Therefore, let us steal more and more of your money and spend it the way the World Bank wants. Reaganomics insists on an ever greater concentration of wealth in fewer and fewer hands. The Holy Quran forbids it, but according to the Punjabi proverb, who is nearer, Allah or a fist on the jaw?

The ADP is great, the 6th plan is marvellous, and this chap Mehboobul Haq is a real whizkid. You see, he is going to promote our agricultural production. We will produce more and more, and with our rupee floating in the skies as effortlessly as cranes in the northern skies, cheaper and cheaper cotton, Basmati, fruit, meat and poultry will be produced for export. We will earn more foreign exchange in the bargain and pay off more interest on previous loans, to be able to borrow more and spend more on future development. Whose development?

Half of our textile mills are "sick", despite chronic wage freezes. They run at 50 per cent capacity. They do not manufacture cotton for the nation. They are export oriented, because earning foreign exchange is the thing, and they know how to do it too. They export their goods to their own front organisations in Hong Kong, at cost price, at 90-day credit. There, they reprocess and sell their goods in the open market

and keep profits to themselves. Pakistan gets hardly anything at all, and it is not a secret. Raw cotton sells no more. The carpet industry is on its deathbed. But Mehboobul Haq will produce more and more raw material and let basic industry and distributive justice go to hell. Long live the assembly plants of the transnationals!

More than half of Karachi Stock Exchange companies have not paid dividends to their shareholders, since 1977. But the common man is being asked to save and invest more in public and private schemes, and earn less than the actual rate of inflation. It would be more patriotic to forget about it. It would at least give the shareholders good sleep, an incubus or two, notwithstanding, because, who can prevent their occurrence after all? Besides, it is the psychiatrists province, out of bounds for the mindless Ministry of Finance.

Agricultural produce must be promoted, and bank loans, and seed and fertilizer be made available. But do not think about land reforms. Mehboobul Haq can do the rope trick with a beene and patari, which he brought from the World Bank. Zakat from the middle class savings, yes. But Ushr? No, not yet. The absentee landlord will be angry, and his anger will dislamb the 5-year plan.

Let us pray for the long life and prosperity of Pakistan's bureaucracy, because it is the State. Let us also shun science and technology, creative thinking, and literature and history. Scientific minds are the devil's workshops. Let us work for the socio-economic status quo in the name of stability and conform and obey our lord the professional Mulla politician.

Pakistan, according to a sociological study, is the most highly regulated country of the World, with a governance, which governs the most. It could also be the most highly taxed country, with little representation. Indirect taxes

amounts to 85 per cent of the total revenue, but the amount of *ishwat* which people are forced to pay is not taken into account, which is also an indirect tax. Our Raja Zafarul Haq has advised us to stop paying *ishwat*, and it as simple as that. But the Information Minister has no information of the current reality. Does he know anything about income tax procedures, and how they can be circumvented? Fixed income groups pay through the nose, but what about the trading and the industrial classes? They pay a fraction of their dues to the government because they can grease the palm of the assessment authorities. Not so with fixed income groups. They too grease the palms of the authorities, but in order to pay what the law requires. In some agencies, urban property tax agency, for instance, the owner received a demand without notice three times higher than that due under the law. What the law should require, in order to force the victim to pay *ishwat* and bring the amount down to the legally required sum. If he were to listen to Raja Sahib, he would have to pay three times. I know of a case in which it actually happened. For a seven-madla house occupied by the owner, a tax demand of Rs.6,200 was sent. The owner was an innocent man. He ran from door to door, to relate his case and find the formula on which the assessment had been based. He was not advised. He was told to pay up half the amount and then make an appeal for revision, which required various stamped papers, typing, certificates, identity cards, etc etc for submission. According to law, he ought to have been billed for Rs.1,200 only. Exasperated, he asked for a way out, whereupon he was asked to pay Rs.1,000 only to the man concerned, and get clearance on the ground that the house in question being newly built, could be taxed only after another year. The man did pay, but did the treasury receive it?

It is possible that the Lahore's urban property taxation people are stealing from the pocket of the poor citizen five million a day, and, at the same time, giving the government its devil's due. PWD, Excise, Revenue, Customs, Police and Courts, knock at any door — and there is pain. It does not hurt Mehboobul Haq, who will take what he wants. Ghost writers of the Ministry of Finance have done an excellent job, in telling us that the growth rate is skyrocketing, the economy is marching forward, and that we are more and more creditworthy. But will we be solvent, in 20 years, in a hundred years? Does anybody have a plan for it? Does the Planning Commission have any data on the Nation's income levels? Does anybody have a minimum model family budget? How much does a family of five need to live, in the working class, in the middle class and in the upper class? Does anybody know that the burden of unemployed brothers and sisters, fathers and mothers, is also borne by the poor classes, and that it is also they who provide for the beggar and the orphan, by doling out charity? Does anybody realise that the working classes alone pay all taxes, because, in all cases, the Seth transfers his burden to the poor consumer?

Contrary to practice, part of the budget was leaked out to the Press in the belief that propaganda is an excellent substitute for progress. The leaks have been in the area of what the government intends to do for the worker, the teacher, and the rest of the white-collar class. It was intended to soften them up.

Leaks were also allowed in the area of new or increased taxes. They were intended to prepare the people for shocks. Well they have succeeded. The cranes are flying and the vultures are scrambling, while hungry babies lie under the sparse shadows of thorns, bitten by big black ants with red fangs.

NEW BUDGET DISCUSSED

Karachi DAWN in English 16 Jun 82 p 7

[Editorial: "The Budget"]

[Text] THE Federal Budget for the next fiscal year has had to be formulated at what may be termed an awkward time for the economy. On the whole the economy continued to improve along the trend established in the last few years, to the point where the Finance Minister could claim in his budget speech that "we can now focus our attention on some long-term fundamental issues". At the same time there were several setbacks in the current year, one hopes of a temporary nature, which have cut down Government revenues and affected plans for the next fiscal year. The more major of these setbacks have to do with wheat output, exports and a shortfall in import duty collection. The major drop in wheat production has not only affected gross domestic product for the year, which is now expected to show a growth of slightly over six per cent rather than the 6.6 per cent estimated earlier, but is also tragic because if production had been on target, it would

have seen the country well off with a comfortable surplus. The original projection for exports was 3,200 million dollars, but owing to lowered demand from abroad and deterioration in the terms of trade this was revised downwards 14.5 per cent to 2,735 million dollars, a significant fall from last year's exports of close to three billion dollars. This had several adverse effects, including a fall in duty collections by rupees 440 million. The fall in import duty collections was more serious since, together with reduction in related sales tax receipts, it involved a loss of rupees 3,330 million. While these setbacks cut into revenue collections and caused problems, there was considerable improvement in the economy overall. Gross national product has grown at 5.9 per cent, compared to 5.1 per cent last year, and the over six per cent growth in GDP seen in the last few years has been maintained. While there was a fall in growth rate of major crops, to 4.1 per cent

from 4.2 per cent last year, minor crops have shown an improvement with a growth of 3.1 per cent against last year's 1.9 per cent. Perhaps the most significant improvement has been in manufacturing — overall a growth of 12.1 per cent with 14 per cent in large-scale manufacturing.

The feeling that any let-up in development efforts is impermissible is reflected in the increased size of the development budget, and in certain other measures which have been taken. At rupees 31.46 billion the annual development plan is 16.5 per cent larger than the revised plan for the current year. As usual, the power sector has received the largest allocation — over 23 per cent of the total — in recognition of its crucial role. This has been more pronounced than ever in the current fiscal year, with industrial capacity often lying unutilised owing to power shortages, and power in particular and the energy sector as a whole have been singled out for intensive de-

development efforts. Agriculture is being given high priority and, when both indirect and direct efforts to develop agriculture are taken into account, a third of the public sector development budget has been earmarked for this sector. Industry and water are two other areas where major allocations have been made, with about half the allocation for the water sector meant for an accelerated SCARP programme, Chashma Right Bank Canal and flood control. It is to be debated, however, whether this preoccupation with the more commercial facets of life has not led to a downgrading of programmes aimed at improving the quality of human life. Many of the key social sectors have been allocated lower amounts in the next year's development plan than in the current year's, even though special consideration for these areas was expressed by the Finance Minister. Allocation for education is 8 per cent more in the current year than in next year's ADP, for sports and culture 57 per cent and for health 14 per cent. Similarly, programmes for population welfare and rural development are also smaller. Two programmes which have been specially mentioned should be welcomed, however. These are the speeding up of primary education, particularly among girls in the rural areas and, in the health sector, immunisation of children against six common diseases, training of

'dais' and supply of oral rehydration salts. The size of these two programmes is rupees 400 and 300 million, respectively. The share of the social sectors in development allocations is very low, and could harm development efforts in the long run has much as, say, shortage of power can. The share in ADP of some of the key sectors, in percentage, are: education 2.6, health 1.8, population welfare 0.8, rural development 0.3, and culture and sports 0.5.

Current expenditure next year will rise again, despite efforts to keep it down, including a seven per cent across-the-board cut in all non-development expenditure excluding defence and subsidies. In fact, current expenses have shot up considerably, being 23 per cent more than the revised figure for this year. Apart from the normal yearly increase, the additional expense is largely accounted for by higher spending on defence, higher rupee cost of oil import, and debt servicing. Coupled with the increase in development expenditure and the additional relief to be provided, it does mean, however, that a large resource gap has been left, which is certainly a cause of worry. The resource gap next year comes to rupees 10.62 billion, which is close to the current year's gap. Deficit financing, which amounted to rupees 5.4 billion this year, is intended to be restricted to rupees 5.7 billion next year which, it is felt, is a safe limit considering the mod-

erate price increases in the current year. Deficit financing is something about which everyone feels very uneasy, whatever planners may feel, and when other factors are taken into consideration, there is no doubt as to the manner in which prices will behave. There is, for instance, the impact of the rupee float, which has made imports more expensive and whose effects will really be felt in the next fiscal year. On top of this, the remaining resource gap of almost rupees five billion which is being met through additional resource mobilisation is also going to have an adverse effect on prices. The levy of tax on agriculture, through Ushr, is to be welcomed since there was little cause to exempt this sector from its obligations. Other taxes, needed though they may be, will increase prices, notably increase in the price of petrol and the five per cent surcharge on imports. Imports really are coming in for a beating: first the rupee's float and now this surcharge. Government revenues will no doubt register an increase but, taking into account the volume of imports, the effects may be undesirable.

In the taxation measures special consideration has been given to protecting local industry from the effects of cheap imports and dumping. To guard against the latter, duty has been raised on a number of items, which include cement and natural graphite. More comprehensive action will be taken later with the promul-

gation of an anti-dumping law to check import of goods at subsidised or dumping prices. Care must be taken, however, that this law is not manipulated to the disadvantage of the consumer. While imports have on occasion played havoc with local industry, it is also true that local industry has taken advantage of protection to saddle the consumer with substandard, overpriced goods — which also means that it cannot compete in foreign markets. On balance, though, some sort of protection is necessary to promote local industry, particularly now when investment is picking up again after a lapse of several years: private industrial investment in the current year was twice that in 1978-79. The engineering goods industry has been granted several incentives so that it can com-

pete at home with imported machinery and be competitive in the international market. Keeping in mind the power shortage, generators above a certain size meant for industrial use have been exempted from duty and sales tax, a move which will be welcomed by industry as a whole. Changes in duty have been made over a wide range of raw materials or products, in many cases with the intention of helping local industry, although increase in duties in certain cases is bound to bring out protests. In addition to the changes in indirect taxes, several changes have also been made where direct taxes are concerned, with a view to benefiting companies in most cases, and so that the drive to increase investment is helped.

CSO: 4220/79

BUDGET DETAILS FOR 1982-1983 GIVEN

Islamabad THE MUSLIM in English 15 Jun 82 pp 1, 10

[Text]

ISLAMABAD, June 14: Finance Minister Ghulam Ishaq Khan today announced new tax levies of over Rs. 500 crore to plug a yawning resource gap in his Rs. 78 billion investment oriented budget for the next fiscal year. Islamic Levy of Ushr on agricultural produce on self-assessment basis is also being enforced from the next Rabi crop.

As usual half of the gap (Rs. 570 crore) of the Budget (proposing Rs. 31 billion for development and Rs. 46.9 billion for current expenditure) will be met through IMF-prescribed ceiling of deficit financing, also considered a kind of concealed taxation.

Predictably, the Finance Minister mixed his harsh resource-generating package with the promise of higher pay packets to salaried groups in government and semi-government institutions at the cost of Rs. 248 crore to the national exchequer. Whether it will be adequate to meet the expected increase in the cost of living next year remains to be seen. Substantial concessions have also been offered to domestic manufacturers and investors both in indirect and direct taxes.

In Ghulam Ishaq's wide-ranging package's the simple mechanism of 5 per cent surcharge of all imports will manage to collect additional revenues of over Rs. 240 crore. Another Rs. 183 crore will come from new levies on imported and indigenous crude and Petroleum brought expensive Gesoline, cigarettes, beverages, cassettes, iron and steel scrap, imported cement

and caustic soda will yield the bulk of resources to meet the proposed higher defence (over Rs. 22 billion rupees against revised current year's Rs. 19 billion) and development (Rs. 31 billion against revised current year's Rs. 27 billion) expenditure for the oncoming year. The Finance Minister noted that the geopolitical situation in the region and the heightened security concerns had forced higher defence allocation both in the current and next year.

Apart from enhanced defence expenditure, the Finance Minister's original estimates for the outgoing year were upset to the extent of Rs. 439 crore because of shortfall in collections of import and export duties and sales tax as well as increased rupee cost of POL products on account of expensive dollar.

The Finance Minister revealed that the next year's Rs. 31 billion development programme will be financed by foreign resources over Rs. 15.7 billion. Revenue surplus will provide Rs. 30 crore and non-inflationary domestic resources another Rs. 758 crore.

Next year's revenue receipts have been estimated at Rs. 47 billion (as against Rs. 41 billion of this year) and current expenditure at Rs. 46.9 billion (as against Rs. 38 billion for this year). The increase in expenditure is higher by 23 per cent while revenues will increase by 13 per cent.

AGENCIES ADD: The Finance Minister said that simultaneously with the task of economic stabilisation and development, the government moved in a decisive manner to reconstruct the economic system of the country in accordance with the fundamental

principles governing an Islamic society.

He said the task was not easy and required the translation of concepts and the philosophy of Islamic economic system into specific practical measures for changing the institutions, laws and practices which governed a modern society.

He expressed the confidence that the essential elements of an Islamic economic system had taken roots and were spreading and gaining a more dominant position.

The Budget provides Annual Development Plan for the public sector, costing Rs. 31,460 million. In addition, the foreign aid component of projects for special development plans for Baluchistan, the Federally-Administered Tribal Areas and the special priority sector programme, which are being separately funded outside the ADP, would amount to over Rs. 1,000 million. Another Rs. 7,000 million will be mobilised by public sector enterprises.

The total development expenditure during 1982-83 will represent an increase of over 20 per cent above the current year's development expenditure.

The gross revenue receipts for the fiscal year 1982-83 are estimated at Rs. 57,180 million representing an increase of Rs. 6,290 million over the revised estimates for 1981-82.

Mr. Ishaq Khan, said that in line with general improvement in the level of economic activity and further strengthening of tax administration sizeable increase in the revenue collection are expected.

The revenue collections after allowing for transfer of Rs. 9,980 million to provinces is placed at

Rs. 47,210 million.

The revenue expenditure of the Federal Government is estimated at Rs. 46,190 million. The increase in revenue expenditure by Rs. 8820 million compared to the revised estimates for the current year is mainly due to increase in defence expenditure of Rs. 2,500 million, increase of Rs. 1,550 million due to higher rupee cost of petroleum crude and products, increase of Rs. 3,280 million in debt servicing, and provision to meet Rs. 300 million loss suffered by the State trading in cotton.

Mr. Ishaq said the government is determined to persist with its firm and disciplined fiscal policy. Recourse to deficit financing has to be kept to the minimum and should be allowed only to the extent justified by the growth in the economy.

Keeping in mind the anticipated growth rate of more than 6 per cent and the monetary requirements of the economy, it has been decided to fix a ceiling of Rs. 5,700 million as the safe limits of deficit financing for the fiscal year 1982-83. In order to make this ceiling effective, and to keep a firm grasp on inflation in the economy, it would be necessary to meet the balance of the gap of Rs. 4923 million through additional resource mobilisation effort in the budget.

The proposals, for increase in rates of custom duty and other taxes, included five per cent surcharge on all imports, increase in sales on cigarettes and increase in prices of petrol.

On the other hand, the new budget provides to large number of incentives for increases in domestic savings, investments by the

private sector and for protection of local industries.

Income tax relief has also been given by way of increase in the investment allowance.

The dearness allowance of State and semi-government employees and pensioners have been increased.

Mr. Ishaq Khan said despite adverse turn in the international climate, the post-1977 economic trends and record were preserved during 1981-82. The increase in GDP and decline in the rate of inflation was noteworthy.

He said the price situation also stabilised.

The Annual Development Plan for next year will serve as the crucial bridge between the economic progress and consolidation achieved so far and the development strategy and priorities to be incorporated in the Six Five-Year Plan, Mr. Ishaq said.

The Finance Minister said the delinking of the rupee from U.S. dollar was calculated to restore competitiveness to the country's exports, imparts greater stability to export incomes and, not the least, afford Pakistan the much-needed flexibility of operations in an uncertain monetary world. Signs of a recovery in exports are already visible, with manufactured exports in March and April having increased by 13 per cent in terms of physical quantity compared with the previous months. Recently the government had allowed forward transactions which should meet the genuine requirement of traders to hedge themselves against future fluctuations.

BUDGET AT A GLANCE

Islamabad THE MUSLIM in English 15 Jun 82 p 8

[Text]

REVENUE				CAPITAL			
1981-82	1981-82	1982-83		1981-82	1981-82	1982-83	
Budget	Revised	Budget		Budget	Revised	Budget	
RECEIPTS				131 PROVINCIAL CONTRIBUTION			
a) TAX REVENUE				Punjab			
Taxes on Income & Wealth	43487	39934	44352	Sind			
Taxes on Commodities & Transactions	7954	8449	8602	Sind			
Customs	35513	31485	35750	Sind			
Sales Tax	18120	115000	117470	Sind			
Excise Duties	13898	13250	13750	Sind			
Surcharges & Stamps	2046	112000	113365	Sind			
NON-TAX REVENUE	10628	10958	12834	Sind			
Income from Property & Enterprise	7833	7853	9145	Sind			
Profit Post Office & T & T	11709	11991	11740	Sind			
Trading Profit	4686	6817	1358	Sind			
Interest Receipts	15443	15370	16651	Sind			
Dividend & Return	1195	1275	1396	Sind			
Receipts from Civil Admin. and other Functions	1596	1721	1741	Sind			
Profit of SGP	116	118	116	Sind			
Currency & Mint	116	118	116	Sind			
Refund of Income Tax	1260	1339	1354	Sind			
Refund of Economic Services	144	144	151	Sind			
Other Receipts	1199	1384	1948	Sind			
Miscellaneous Receipts	54095	50892	57186	Sind			
TOTAL GROSS REVENUE RECEIPTS	9765	9232	9980	Sind			
Less: Transfers to Provinces	44330	41660	47206	Sind			
NET FEDERAL REVENUE	37044	38089	46907	Sind			
CURRENT EXPENDITURE	1958	2032	2540	Sind			
General Administration	18243	18593	22095	Sind			
Defence Services	1080	1092	1233	Sind			
Law & Order	837	855	1063	Sind			
Community Services	170	185	203	Sind			
Economic Services	915	849	2503	Sind			
Subsidies	11059	11074	11362	Sind			
(Food Items)	1173	1172	1141	Sind			
(Others)	1886	1902	1121	Sind			
Debt Servicing, Investible Funds & Grants	110289	10683	14690	Sind			
(i) Debt Servicing	16893	19107	12384	Sind			
(ii) Grant to Provinces/Local Authorities	11395	11576	12306	Sind			
Unallocable	924	6	6	Sind			
7% Economy Cut	-	-	-500	Sind			
3. SURPLUS AVAILABLE FOR ADP FINANCING (1 MINUS 2)	7286	3571	299	Sind			

PUNJAB BUDGET PRESENTED; DEVELOPMENT STRESSED

Karachi DAWN in English 22 Jun 82 p 1

[Text]

LAHORE, June 21: A development oriented Rs. 18.26 billion budget for the Punjab has been presented for the year 1982-83 with emphasis on agriculture, irrigation, communication, health and education sectors.

No new taxes or increase in the existing rate of taxes has been made whereas an amount of Rs. 4050 million has been earmarked for the development programmes.

Announcing the budget here today, the Provincial Minister for Finance Mr Nawaz Shariff, said that a surplus amount of Rs. 780.5 million in the non-development account for investment in the annual development programme has been set aside.

Main components of the budget are: Rs. 4,330 millions for economic and social services, Rs. 6,210 million for state trading and foodgrains and sugar and Rs. 550 millions for capital expenditure outside the development account.

Highest priority has been given to improving agriculture productivity with an allocation of Rs. 1,633 and million which is about 40.5 per cent of the total annual development programme for agriculture and water sector.

Twenty-four per cent of the total allocation in the development account has been earmarked for education which accounts for Rs. 1,857 million besides an additional amount of Rs. 380 million in the development account.

RURAL AREAS

Special emphasis has been laid down for the provision and expansion of social and infrastructural facilities for

rural areas. Sixty-one per cent of the total development programme has been allocated for the schemes located in rural areas.

In this regard an allocation of Rs. 472 million has been made for the construction and repair of roads in the rural areas, Rs. 260 million have been earmarked for electrification of tubewells and villages, Rs. 100 million have been provided for the development of focal points for the facilities like electricity, water, road, communication, health units and schools in villages and small towns. Moreover an amount of Rs. 80 million has been allocated for matching grants to Union Councils and Zila Councils in case the projects are locally planned and partly financed through public participation.

EDUCATION

In the sector of education highest priority has been given to the primary education with a view to achieve universal literacy. In this connection 1,607 new primary schools, including 201 mosque schools would be opened during the fiscal year 1982-83. During the same period 231 primary schools would be upgraded to the middle level and 144 middle schools would be upgraded to the Secondary level.

From the budget allocation for education 6800 primary and 300 middle schools would be provided equipment while 502 school buildings would be constructed for the existing primary schools. Similarly, the subject of biology would be introduced in 200 high schools, and science laboratories would be provided in another 100 high schools.

A three-year development programme of Rs. 113 million has been chalked out for the districts of D. G. Khan and

Rajanpur and the Tribal Areas. Out of this amount Rs. 38 million would be spent during the current fiscal year.

An allocation of Rs. 787 million has been made for the construction of roads and bridges. A sum of Rs. 472 million has been set aside for the construction of farm to market roads.

Allocations of Rs. 170 million have been made for the development and improvement of water courses, for subsidies of diesel tube wells, seeds, sprayers, lift irrigation and supervised credit, for agriculture research and for service cum general agriculture programme in barani areas.

An amount of Rs. 372 million would be spent for the development of health sector which includes programmes for children immunisation, construction of 250 additional basic health units besides the completion of 200 under-construction units. In all 850 hospital beds would be added at the district and tehsil level and in the teaching hospitals.

In the budget an amount of Rs. 286 millions has been earmarked for subsidy on distribution of wheat atta. An allocation of Rs. 160 million has been made for rural water supply, sewerage and drainage schemes.

Under the non-food account the total general revenue receipts would be to the tune of Rs. 8,432 million as compared to the amount of Rs. 7,955 in the year 1981-82.

Non development revenue expenditure during the current fiscal year would be to the tune of Rs. 7,745 million out of which an amount of Rs. 656 million would be spent on law and order and Rs. 743 millions on general administration.

FINANCE MINISTER DEFENDS NEW TAXES

Karachi DAWN in English 16 Jun 82 pp 1, 12

[Text]

ISLAMABAD, June 15: The Federal Finance Minister, Mr Ghulam Ishaq Khan has described as 'defensive measures' the five per cent Customs surcharge and increase in the prices of crude oil and POL products.

Addressing the post-Budget Press conference here today, the Finance Minister termed the extra duty on cold drinks based on imported concentrates as partly symbolic of "our national determination to base our development on our own resources."

He said the impact of budgetary measures on prices and cost of living was decidedly less than in the case of feasible alternatives that could have been adopted.

Mr Ghulam Ishaq Khan defended his budgetary measures with his characteristic faith in his own economic prescription and by implication impressed upon the Press to see the light at the end of the tunnel generously lined with taxes, foreign debts and deficit financing.

Explaining the reasons for the increases in the expenditure which have necessitated levying of such heavy taxation, he said next year the present phase would come to an end with the completion of all languishing major Public Sector projects and the Government would simultaneously be seeking to capture a bridgehead for a major thrust on new priorities in the Sixth Plan.

The Finance Minister said part of the increase in import duties would be passed on to exporters from abroad, particularly in this year of recession. And in case of capital goods and machinery it would be initially borne by the investors and would only translate gradually over the years in the increases in the

cost of production, he added.

Agency reports add:

The Finance Minister said the Budget reflected the continuous process of recovery and consolidation of the economy which has stood the test of severe domestic and international pressures.

He said the Budget can only be seen in the perspective of the totality of the national situation. For a number of years an attempt has been made to attain a measure of financial stability and widespread economic growth.

"The success gained so far has been encouraging", he remarked.

ADP ENLARGED

He said the Annual Development Programme has been enlarged this year by 16 per cent — from Rs. 2,700 crore estimated implementation in 1981-82 to Rs. 3,148 crore in 1982-83. With a number of corporations having moved to the stage of self-financing and certain elements of special programmes for Baluchistan and Tribal Areas having been directly financed from foreign assistance, the increase in development programme is more than 20 per cent.

Referring to the Governments efforts to increase domestic non-inflationary financing share of the ADP the Minister said with additional resource mobilization efforts announced in the Budget the domestic non-inflationary resources will be Rs 1001 crores, including Rs. 570 crores by way of borrowing from the banking system within safe limits, our domestic contribution would be Rs. 1571 crores or roughly 50 per cent of the ADP.

He said the development programme is not only larger but attempts to meet the felt needs of the people particularly in the

rural areas and poorer regions. He said larger resources are being provided for the defence of the country. In the two years since 1980-81 to 1982-83, defence expenditure shows an increase of Rs 683 crore or about 45 percent. Thus the ratio of defence expenditure to GNP has been maintained at around six per cent.

The Minister said steps have been taken to compensate the low-paid employees of the Government for the impact of accumulated inflation, and Rs 248 crore have been allocated for the purpose in the Budget.

He said Government has also tried to avoid deficit financing except to the extent justified by real economic growth.

Relief to Employees

When a questioner pointed out that while Government employees have received relief for the second consecutive year, other fixed income groups outside Government organizations have not been provided any relief, the Minister said this question was thoroughly examined by the Government.

He said it is felt that the labour and other such groups may not be satisfied by the quantum of relief given to Government servants. They could have said that they could get better deal through bargaining with their employers if let alone.

The Minister said resource mobilization effort for the year has been kept within a manageable limit of less than Rs 500 million because of cumulative effect of a number of measures taken in recent years to strengthen the fiscal system like bringing down budgetary subsidies and increase in self-financing of autonomous bodies.

Price Increase

Explaining the levy of the uniform surcharge of five per cent on all imports, Mr Ghulam Ishaq Khan said the erosion of Customs revenues, which constitute 41 percent of the total revenue amounted to Rs 333 crore during 1981-82 which could not be made good from any other taxes. The levy of five pc on imports was carefully designed to spread the burden thinly throughout the system, so as to have a minimal effect on prices, he added.

Replying to a question, he said it was an across the board levy which would also cover duty free items.

Regarding the upward revision of prices of POL products and the imposition of five per cent duty on local crude the Minister said as an energy importing country we could not afford to subsidise POL products. The objective of conserving energy demanded that domestic prices should be fully in line with world energy prices.

Asked if the Government would further enhance in future gas and power prices on the recommendation of the World Bank or IMF, the Minister remarked that as an independent country, Pakistan would accept only those recommendations which served its interest and the two institutions could not force any recommendations on Pakistan.

OIL PRICES

He said the delinking of the Pak Rupee from the dollar increased the rupee cost of oil whose price was not raised initially because there was some easing in the spot prices of oil and some expectation that official price of oil may be reduced. With stability in oil prices, and the closing of the gap between official and spot prices it became inevitable to increase the domestic sale price of oil to recover about Rs 184 crore out of the annual loss of revenue amounting to Rs 217 crores.

He said the extra Excise duty of 25 paise per bottle on cold drinks based on imported concentrates is partly a revenue measure and "a symbol of our national determination to base our development on our own resources and to strengthen elements in consonance with social habits rooted in the soil of the country".

ISLAMIC WELFARE SYSTEM

The Finance Minister said Islamic welfare system has been extended to create an effective safety net for the poorer sections of the society. Out of the 15 million families in the country 1.5 million or bottom 10 pc in the lowest range are already benefiting from Zakat. The number of beneficiaries would increase considerably with the introduction of Ushr. Combined with roughly 2 million families receiving remittances from workers employed abroad who are receiving larger rupee income after the delinking of the rupee from the dollar, roughly 25 to 30 pc of the population can be seen as having acquired basic economic protection.

The Government decision to increase the pay and facilities for its low income employees has helped roughly 373 million families. If we take all the institutions affected by these decisions admittedly not all of

the Government employees affected are among the poorer sections of the society. But a large majority are. Some of them may also be those who are receiving remittances from abroad because of a number of the family working outside the country.

IMPACT OF USHR

A questioner thought that the introduction of Ushr would be a new kind of aggressive taxation, the Minister said secular yardsticks could not be applied to religious beliefs and duties. He quoted a verse from the Holy Quran that those who spend in the way of Allah their wealth would not decrease.

The Minister said there would be tremendous impact of this measure on rural economy. It would help eliminate poverty and a stage might come when the people who gave Zakat would not find any Zakat-takers. This impact would be even bigger than that of Zakat, he added.

He said Ushr collection would be entrusted to 32,000 Zakat Committees and entire proceeds would go back to the local committees for distribution.

On evolving an interest-free economy, the Minister said a lot had been accomplished in this direction. The success in this regard might be measured by the fact that the total deposits in the profit-and-loss sharing (PLS) accounts started in January last year, would be over Rs one thousand crore by the end of this month.

He said every new financial scheme being introduced was based on the interest-free system. It would take time to restructure the entire economy on Islamic principles, as a sudden change might create chaos and do more harm. It would not be in the interest of Islam, he added.

PRIVATE INVESTMENT

The Minister did not agree with a questioner who observed that private investors were not coming forward to invest despite incentives provided by the Government. He said this was a wrong impression as private investors were setting up small and medium industries. Last year there was 27 pc in investment in the private sector. Foreign investors were also coming forward.

A private Japanese firm has for the first time joined hand with the public sector in Pakistan to produce Suzuki cars. Similarly, tractor plants were also being set up by foreign investors.

The Deputy Chairman of the Planning Commission, Dr Mahbubul Haq, who was also present at the Press conference, said one-third of the development budget was committed to agriculture.

He said that main emphasis in the Plan had been laid on primary education, health, rural roads and water supply. This time Rs. 287 crore had been sanctioned for this purpose whereas last year it was Rs 180 crore showing an increase of 51 pc.

Asked if any steps had been taken to stop smuggling of kerosene oil from the country in view of its low price in Pakistan, the Minister said kerosene price had been kept low in the interest of common man. There might be possibility of its smuggling to neighbouring countries where price was much higher and this could be checked through administrative measure.

The Minister in the end warned against over-consumption and said the people must realise wastage of resources due to over-consumption of items like cigarettes, beverages, betelnut, tea etc which cost a total of Rs 950 to 1000 crore.

NEW TAX MEASURES, RELIEFS REPORTED

Islamabad THE MUSLIM in English 15 Jun 82 pp 1, 10

[Article by Salim Bokhari: "You Pay Less, You Pay More"]

[Text] ISLAMABAD, June 14: Here is the breakdown of reliefs and new taxes levied for 1982-83

YOU PAY MORE:

- On all imports a surcharge of five per cent excepting the accompanied baggage and post parcels.

- The duty on polypropylene and nylon ropes and twine has been increased for 85 per cent to 160 per cent.

- Duty on ships for scrapping has been increased from 30 per cent to 50 per cent.

- The duty on all components of audio cassettes has been levied at the rate of 120 per cent plus 20 per cent sales tax. All audio cassettes, whether recorded or blank will be liable to duty at Rs. 10 per cassette.

- To provide protection to the local industry, the duty has been increased on the following items: Natural graphite from 30 per cent to 40 per cent, carbon paper sheets from 50 per cent to 70 per cent, duplex board from 50 per cent to Rs. 4,000 per metric ton, abrasive bricks from 50 per cent to 85 per cent, milling and boring machines from 40 per cent to 85 per cent. Theodolite and levels which were free from any duty previously have been levied a duty at the rate of 40 per cent and cement from 20 per cent to 25 per cent.

- For safeguarding the interest

of local industry, duty on imported plywood has been increased from 200 per cent to 250 per cent.

- Thy duty on switch-board and control panels of pressure upto 11,000 volts has been raised to 85 per cent in line with the rate applicable to switch gears.

- The rate of duty has been increased in respect of international franchise drinks from 60 paisa to 75 paisa per ordinary size bottle. The rate of duty on bigger bottles has also been increased from Rs. 2 to Rs. 3 per litre or fraction thereof.

- Excise duty at the rate of five per cent has been levied on the local crude to maintain parity with imported crude on which five per cent development surcharge is being levied.

- Prices of petroleum products excluding kerosene oil, light diesel oil and furnace oil have been increased.

The increase is as follows:-

- (1) Motor gasoline, H.O.B.C. and JP-1 for domestic flight: by 40 paisa per litre; (2) JP-1 for international flights and JP-4: by 50 paisa per litre; (3) Lube base oil: by 60 paisa per litre; (4) Asphalt: by Rs. 300 per metric ton; (5) H.S.D.: by 30 paisa per litre.

- The present incidence of duty on cigarettes filling in low-priced slab which ranges from 46 per cent to 48 per cent has been increased to 50 per cent of the retail price.

- The 10 per cent sales tax has now been made leviable on secondary stage plastic material for plastic goods.

YOU PAY LESS:

- The benefit of 20 per cent concessionary rate of duty has been allowed on imports of billets for manufacture of wire rod.

- Generators of 650 kv and above imported for industrial use have been exempted from duty and sales tax.

- The duty on the following items has been reduced: Soda ash from 150 to 85 per cent, soyabean meal from 40 per cent 10 per cent plus 10 per cent Sales Tax. Methanol from 85 per cent to 40 per cent, tyre-cord fabric from 50 per cent to 30 per cent, lead scrap from 40 per cent to 20 per cent, clock movements from 85 per cent to 40 per cent, mosquito coils from 70 per cent to 40 per cent, compressors for replacement purposes from 70 per cent to 40 per cent.

- Pre-cleaning and lint cleaning equipment and saws for saw-gins for the BMR of ginning industry have been exempted from duty.

- Lifts, air-conditioning plants and operation theatre equipments imported by private hospitals, clinics and nursing homes having a minimum capacity of 25-bed has been exempted from duty.

- It has been decided that sugar produced in a mill which is in excess of its preceding two years' average production will be exempted from Central Excise Duty.

'USHR' TAX ON AGRICULTURAL PRODUCE PROPOSED

Islamabad THE MUSLIM in English 15 Jun 82 p 1

[Article by Jawaid Bokhari]

[Text]

KARACHI, June 14: The official decision to introduce 'Ushr' on agricultural produce is seen here as a 'bold' measure to 'Tax' the relatively affluent segment of the rural sector—a problem which defied and baffled all previous governments.

Experts here see 'ushr' as a form of taxation with a difference. Funds collected from 'ushr' cannot be used for non-development expenditure and would be utilised for the uplift of the poor and the destitute. Nonetheless it would help the government find badly needed resources for the social sectors for which provision is made in the Annual Development Plans.

After more than three decades and a half, it felt to the lot of the present government to broaden the base of resource mobilisation by introducing 'ushr'. Economic circles here see it a major step towards justice and equity in resource mobilisation effort through 'direct taxation'—rural areas are now being brought at par with urban centres.

The farm incomes have gone up

by a growth rate of 4 per cent in agriculture during the past five successive years. Official policies have been price incentive oriented and inputs like fertilizer have been subsidised. These factors have been responsible for raising rural prosperity among the landed aristocracy and the privileged. Experts, therefore, feel that it was the right time for rural rich to part with some of their growing incomes for the social uplift of the masses.

The rates of land revenue paid by the agriculturists and the total income accruing on this account was so meagre that some experts thought that more was spent on the collection machinery than what the government got in return.

Initial reaction of the Karachitees on the budget for 1982-83 was favourable. It was seen by this commercial city as a major effort to further encourage the private sector to participate more actively in the country's economic development.

Apart from various fiscal incentives, the Finance Minister has

succeeded in dispelling the impression of 'indirect nationalisation' gathered by a section of the private sector because of growing controls by lending institutions by announcing two major concessions.

The introduction of 'ushr' and the bank advances for working capital based on profit and loss are seen as two major steps towards Islamisation of the national economy. This follows interest-free deposits, participation term certificates, house-building advances on rent-sharing basis and launching of a Maodaraba by bankers equity.

Experts here have also hailed the rationalisation of tariffs structure that would encourage domestic industrial production and protect the local industry from the competition and dumping of foreign goods. Production and exports of engineering goods industry that has the capacity of fabricating 70 per cent of the country's requirements would receive a boost from the budgetary policies.

These and other measures including resource mobilisation efforts are expected to take the country on the road to self-reliance.

CSO: 4220/78

SIND BUDGET AIMS BOOSTING AGRICULTURE

Karachi DAWN in English 23 Jun 82 pp 1, 12

[Article by Hazoor Ahmed Shah]

[Text]

Sind's Annual Development Programme for 1982-83 will be of the order of Rs. 1,303 million, with Rs. 987.476 million or 76 per cent earmarked for the on-going schemes and Rs. 315.524 million or 24 per cent for the new schemes.

Announcing this in his Budget speech yesterday, the Sind Finance Minister, Mr. Ashraf W. Tabani, said that the next year's ADP represents an increase of 12 per cent over the size of the investment in 1981-82.

The ADP's overriding objective is to ensure early completion of the on-going schemes, to take up new schemes to remove critical supply shortages and to put renewed emphasis on social sectors, particularly in the field of primary education, rural health and communications.

The Physical and Planning Sector gets the highest allocation of Rs. 431.600 million (33.12 per cent of the total ADP). It is followed by 21.14 per cent allocation amounting to Rs. 275.500 million for roads, 12.41 per cent amounting to Rs. 161.670 million for Agriculture and 12.03 per cent amounting to Rs. 156.730 on Education and Training.

Other sector-wise allocations are: Irrigation—Rs. 140 million (10.75 per cent), Health — Rs. 100.500 million (7.71 per cent), Industries — Rs. 9 million (0.69 per cent), Arid Zone Development — Rs. 5.500 million (0.42 per cent), Social Welfare — Rs. 4 million (0.31 per cent), Manpower and Employment — Rs. 4 million (0.31 per cent), and Statistical Research / Special Projects — Rs. 1.5 million (0.11 per cent).

STRATEGY

The strategy for the next year's ADP, according to Mr. Tabani, is based on the following considerations:

—Cognizance of demographic, infrastructural and other variations between one district and another.

—Sectoral and macro-planning to have a spatial and, therefore, a human dimension. An area specific approach will be initiated in the planning system in 1982-83. District plans will be formulated for adoption in 1983-84.

—The use of indigenous or local material for construction of basic infrastructure.

—Acceleration of investment and intensification of effort in the field of primary education, primary health care and farm-to-market roads.

Mr. Tabani reviewed the current year's ADP which was prepared against the backdrop of the Fifth Five-Year Plan's targets and the Mid-Term Plan (1981-82 to 1983-84). The ADP was accordingly programmed at Rs. 1,194 million and after necessary adjustments and a 2.5 per cent economy cut, the revised programme was pegged at Rs. 1,164.1 million.

The ADP was composed of 703 schemes of which 583 schemes were on-going for which an allocation of Rs. 959.189 million or 80 per cent was made, and 120 new schemes were allotted an amount of Rs. 234.8 million or 20 per cent of the total allocations.

Actual utilisation this year, according to Mr. Tabani, is estimated to be of the order of Rs. 1,165 million.

Of the total allocation of Rs. 431.6 million provided for the Physical Planning and Housing Sector in the next fiscal year, Rs. 60.5 million are earmarked for the Buildings programme of various Departments, Rs. 244.4 million for the Local Bodies Programme, Rs. 347 million for Water Supply and Sewerage projects (out of this Rs. 89 million are assigned to Karachi), Rs. 137 million to Hyderabad and Rs. 115 million for 122 schemes in the rest of the Province.

Research Schemes

Mr. Tabani said that six research schemes pertaining to crops like rice, sugarcane, vegetable and pulses are under implementation. Under the On-farm Management Programme, work on 210 water-courses and precision land levelling over 9,440 hectares has been completed. The World Bank-assisted project costing Rs. 87.7 million (47.2 million in the Government sector) is expected to improve 120 water-courses in the districts of Nawabshah, Sanghar, Hyderabad and Badin, leading to the revival of water otherwise lost in transit.

In the current year 85 miles of new canals, remodelling of 47 major structures, 56 modules and 9 buildings were completed in the on-going Kotri and Guddu Barrage Projects, benefitting 100,000 acres in Guddu Barrage and 80,000 acres in Kotri Barrage.

In the next fiscal year it is proposed to remodel about 509 miles banks of canals with the assistance of the World Bank.

In the Power sector the Finance Minister said there has been countrywide shortage during the last winter due to lower water-flows in the rivers and consequent reduced hydel generation. Insufficient generation by the KESC led to marked shortage of power in Sind. Load-shedding had to be resorted to and selected hours of work imposed to overcome the shortage.

Electrification

Mr. Tabani said that as against a target of 259 villages, 302 villages were electrified this year. The allocations for the next year have been enhanced to provide electricity to at least 500 villages.

The Sind Seed Industry Project has gone into trial operation. The project will process 250,000 maunds of cotton, 250,000 maunds of wheat and 75,000 maunds of rice, when in full operation.

Work on 98 rural water supply and drainage schemes remains in progress. It is expected that 75,000 additional persons will get potable water, bringing the total coverage to 1.336 million persons.

Stage-I of the Hub Dam Water Supply Scheme costing Rs. 200 million is expected to be completed by September, 1982 and Karachi will get an additional 60 MGD of settled water. This is expected to increase to 89 MGD by December, 1982.

Five hundred and fifty new primary schools including 140 mosques and 65 Mohalla schools were opened during the current fiscal year. Six primary schools were converted to Middle schools and six Middle schools to High schools.

The allocations for Education sector has been raised from Rs. 153 million to Rs. 156.7 million in the next year's ADP. Once again the emphasis on school education which takes up 57 per cent (Rs. 90.224 million) of the allocation. Rs. 36.328 million or 23 per cent of sectoral allocation is provided for 48 college schemes.

Rural Health

For the Rural Health Programme, Rs. 26.7 million or 26.6 per cent have been provided with an increase of 8.4 per cent over 1981-82. Rs. 3 million is proposed for Basic Health Units in rural areas to be constructed by Local Bodies.

In addition to the sectoral provision, Rs. 10.1 million have been provided by the Federal Government to launch a massive programme for basic health coverage, including mass immunisation, distribution of rehydration salts and the training of Dais in the rural areas.

An amount of Rs. 4 million has been provided to social welfare to cover 11 on-going schemes and one new scheme. The allocation is mainly in the nature of grant-in-aid to social welfare agencies, to the Centre for the physically handicapped, the Pilot Project for youth welfare, the socio-economic centres for women, the Home for destitutes and under-privileged women; and for child welfare projects.

Some 269 kilo-meters of new roads were constructed and 231 kilo-meters of road were reconditioned and widened during the outgoing year. A sum of Rs. 46.25 million has been allocated for new road schemes in the next year's ADP. From this allocation improvements to existing roads will receive Rs. 30.05 million, while 25 new roads and bridges to be selected will be given an allocation of Rs. 16.20 million.

BALUCHISTAN PRIORITY TO AGRICULTURE

Karachi DAWN in English 19 Jun 82 p 6

[Text]

QUETTA, June 18: The Annual Development Programme for Baluchistan envisages a total of 250 projects of which 161 are on-going and 89 new. One hundred and fifty four projects are expected to be fully completed during the fiscal year 1982-83. A major emphasis has been laid down on achieving greater self-sufficiency in agriculture.

Special emphasis has been given to the priority sectors of water, transport, communication and education. While increased allocations have been made for health and education, higher allocations have been made for the special development of the backward areas of Kohlu. In order to bring these areas on a par with other areas in the province.

During fiscal year 1982-83 a sum of Rs 102.3 million will be spent on 52 schemes in this sector. Of these 22 will be on-going and 30 will be new ones. Twenty-nine schemes are targeted for completion during the year.

AGRICULTURE

In the agriculture sector, Rs 52.706 million have been provided for implementation of 15 schemes, of which ten are on-going and five new one. Three schemes are to be completed during the financial year.

Agriculture makes a major contribution toward the gross provincial product and is expected to raise the level of income of the farming community and to provide food for all.

Crop targets for 1982-83 have been fixed at 444,100 hectares as against 313,000 in 1981-82. Similarly, the production targets have been fixed at 515,000 tonnes as against 484,000 tonnes in 1981-82.

Rs 4.846 million has been earmarked for the execution 14 schemes, of these twelve schemes are on-going and two are new.

FORESTRY

Twelve schemes are to be completed by the end of the financial year. The major schemes include the establishment of a National Park at Hazarganji, Chiltan, the establishment of forest nurseries in various parts of Baluchistan, the control of juniper dwarf mistletoe in Ziarat, and sand dunes stabilisation in Mekan, the establishment of a zoo at Khuzdar and roadside and canalside plantation in various areas.

In the food sub-sector, six on-going schemes with an allocation of Rs 2.500 million would be implemented. Important projects include the construction of food grain godowns in various areas of Baluchistan.

The total annual off take of wheat in the province is over 300,000 tons. At the moment the available storage capacity is about 75,000 tons only, another 31,000 tons storage capacity shall be available by the end of the year. Other than this, PASSCO, with world bank and NLC assistance, will be undertaking construction of foodgrain godowns of 65,000 metric tons and 60,000 metric tons capacity respectively. Thus two lakh tons storage capacity would be made available by the end of the year.

INDUSTRIES

In the industries sector an amount of Rs 27.140 million has been provided for the implementation of five on-going and four new schemes. Establishment of an industrial estate at Hub continues to receive major allocations within this sector and Rs

20,000 million would be spent on it during the year. Six schemes are targetted for completion during the year in this sector.

An amount of Rs 3.867 million has been allocated for three on-going and one new schemes, two of which are scheduled for completion by the end of the year.

An amount of Rs 51.190 million has been provided for the execution of 16 schemes, 13 are on-going and three are new. Of these twelve schemes are to be completed by the end of the financial year. Some of the important schemes are the Baluchistan House, Islamabad, MPS as hostel at Quetta, residential units at Quetta, Government hostels at Khuzdar and Sibi, accommodation for the Trasury staff in the province and major repairs of patwarkhanas. These are all expected to be completed during the year.

HEALTH

Baluchistan at present has around 600, health institutions with 2,500 hospital beds, mostly in Quetta city.

The provincial population living within a two-mile distance of these health institutions, is 28.5 per cent. An accelerated programme in this sector will improve this situation to some extent.

Rs 40.125 million has been provided for the execution of ten on-going and eight new schemes in

this sector. Seventeen schemes are to be completed this year. In order to provide basic medical facilities to the rural population, 47 rural health centres are expected to be completed during the year.

Rs 5.009 million have been provided for the execution of five schemes of which four are on-going and one is new. All the schemes are targetted for completion during the year.

KOHLU AGENCY

The programme is meant for the integrated development of Kohlu Agency and other depressed areas of the province. Due to the successful progress of the programme, it has been provided 20 million rupees in the next financial year.

Activities extended to most of the important sectors concerned with providing for the basic needs of the people.

The Quetta Development Authority has been allocated Rs 9.975 million to implement six schemes of which three are on-going and three are new. Five schemes are scheduled to be completed during the year.

Major projects are surveys for the construction of an overhead bridge near the Sariat railway crossing, construction of a parallel road along Sariat Road and for the sewerage schemes of Quetta and the Satellite Town.

ANNUAL DEVELOPMENT PLAN OUTLAYS DISCUSSED

Islamabad THE MUSLIM in English 15 Jun 82 pp 1, 9

[Article by Saeed Qureshi: "Rs. 31465 Million ADP"]

[Text] ISLAMABAD, June 14: Conceding that 1982-83 will be one of the most difficult years from the point of resource availability, the Annual Development Plan of Rs.31465 million announced by the Finance Minister Ghulam Ishaq Khan envisages comparatively lower allocations for agriculture, education and health as well as subsidy on fertilizer.

Agriculture gets 3.6 per cent as against 4 per cent in 1981-82 education 2.6 per cent against 8.5 per cent, health 2.6 per cent against 2.8 p.c. Subsidy on fertilizer this year is 6.6 per cent as against 8.5 per cent of last year's allocation.

These reduced allocations appear to counter to the main features of the Plan, which lays stress on opening more schools, speedy children immunisation, construction of farms and provision for clean water in rural areas.

While observing that Pakistan's normal resources have been affected by the world-wide recession, depressing the revenues from custom duties, the Plan indicates raising of additional resources to finance the ADP which was Rs. 4465 million more than that of the year 1981-82.

Out of the total outlay, the ADP for the Federal government has been placed at Rs.24365

million, while the provincial share is Rs.6400 million which contains a separate allocation of Rs.200 million for Baluchistan and the Federally Administered Tribal Areas.

The Power sector has received the largest share of 23.1 per cent which is followed by 20.4 per cent for transport and Communications. The break-up of Rs.4973.5 million allocated to the Transport and Communication sector, the T&T gets Rs.1450 million annual Pakistan Railways Rs. 1300 million.

The Plan makes adequate provisions for Hub and Khanpur Dams and out of a total provision of Rs.3502.8 million earmarked for water sector Rs.1615 million go to SCARP, Chashma Right Bank Canal and load control programmes while Indus Basin and Tarbela projects receive Rs. 852.5 million which is the largest single share.

Rs.1600 millions are earmarked for fertilizer subsidy which was 18.0 per cent less than last year's allocation of Rs. 1950. The building up of infrastructure and institutional like forestry, fisheries, food-grain storage, plant protection and water shed management etc. have been allocated the largest share. Rs. 454 million exclusively go to foodgrain storage.

The industrial sector which received six per cent less allocation last year has been given Rs. 2932 million, which is slightly more over last year's allocation of Rs. 2750 million. Rs. 100 million

have been exclusively reserved for the establishment of Export Processing Zone.

The fuel sector shows an increase of 20.4 per cent over the preceding year's allocation of Rs. 2070 against Rs. 1718.6 million in 1981-82. The increase comes as a result of acceleration in the exploration and development in the drilling of wells. While apportioning Rs.1284.2 million exclusively for OGDC, the Plan expects that the domestic production of crude oil will increase during the current year.

The Plan takes cognizance of the accommodation problem in the country and lays stress on the construction of additional offices and buildings. It also lays emphasis on the completion of Simly Dam and other civil works. It has, therefore, justified the increased allocation of Rs. 810.9 million against the last year's allocation of Rs. 722.7 on these grounds.

The reduced allocation of Rs. 623.1 million against Rs.648 million in 1981-82 for education looks very astonishing in face of the government's pledges to the teaching community to raise their salaries and giving other financial benefits which according to a rough estimate will mean extra expenditure of Rs. 700 million.

over and above the plan. Similarly the Health sector get Rs 446 million against last year's Rs. 494 million which would be too inadequate to meet the demands of the doctors involving huge additional expenditure. The allocation of the current year will cover completion of Bolan Medical College Quetta, Ayub Medical College, Islamabad Hospital and construction of Children hospital Islamabad and Nuclear Medical Centre.

Rs 60 million have been allocated for women's welfare. This amount will be spent on wide range of programmes including setting up of Women polytechnics, training and vocational institutes, construction of community centres and training of women in various skills.

A provision of Rs 137.2 million has been made during the year 1982-83 with major leads in the development and production of those minerals which would ultimately feed the Pakistan Steel Mills and reduce dependence on imported material. The provision for Pakistan Mineral Development Corporation has been increased to Rs 62.6 million which was a paltry Rs 9.3 million in 1981-82.

Out of an allocation of Rs 137.2 million for mass media the lion's share of Rs 88 million goes to the Television programmes while Rs. 49 million is set aside for the Broadcasting Programmes.

The share of the Manpower and Employment sector is Rs 133.2 million while that of the Social Welfare is Rs 23.9 million which will centre on rehabilitation services and child and women welfare.

CSO: 4220/78

PAGARA CRITICIZES ADMINISTRATION ON PRICES

Karachi DAWN in English 23 Jun 82 p 12

[Text]

D.I. KHAN, June 22: Pir Sahib Pagara Sharif, President of the defunct Pakistan Muslim League has said there is no leftist group in the country and only his party represents the masses.

Talking to newsmen, Pir Sahib criticised the Government for providing concessions to those parties which are anti-Pakistan. He particularly mentioned the names of defunct NDP and Jamaat-i-Islami, "which are being allowed to hold their meetings and continue their political activities."

When asked how it could have been possible for him to undertake such an extensive tour of NWFP without Government's consent, Pir Sahib emphatically said nobody could prevent him from carrying out these activities.

To a question, he stressed that non-party and non-political elections will not be beneficial for the country and the Army itself.

Earlier talking to newsmen in Muzaffargarh, he expressed concern over soaring prices of essential commodities. He said that prices of atta, ghee, sugar, fertilizers and consumer goods were beyond the reach of the common man.

He said that the Government failed to check corruption, mal-administration, crimes and other social evils.

Pir Sahib said there was no hope of restoration of democracy in the country in the near future. He demanded release of the arrested doctors and reinstatement of all sacked or suspended doctors.—PPi

SCIENTIFIC RESEARCH POLICIES LAUDED

London ARABIA THE ISLAMIC WORLD REVIEW in English Jun ' 82 p 22

[Article by M Nazim Khan and Javed Ansari]

[Text]

 Pakistan is one of the leading Muslim countries in the field of scientific research. A large number of scientific research bodies have been established in the past two decades. They include the Pakistan Council of Scientific and Industrial Research (PCSIR), the Agricultural Research Council (ARC) and the Appropriate Technology Development Organisation (ATDO). Research has been undertaken in such areas as industrial chemistry, agricultural technology, space research and genetic engineering. The most spectacular breakthrough, however, has been in physical research.

When Pakistan was created the only centre of physical research was the department of physics at the University of the Punjab at Lahore. During the 1950s fresh research impetus was generated by an ambitious programme for building meteorological satellites, which, however, was abandoned prematurely. During this period the PCSIR, then Pakistan's top scientific organisation, concentrated its efforts on applied chemistry.

Physical research was substantially reorganised and accelerated during the early days of Ayub Khan's presidency. Professor Abdus Salam, the Nobel prize winner, was appointed special scientific adviser to the president. The Atomic Energy Commission and the Pakistan Institute of Nuclear Science and Technology Research (Pinstech) developed coherent research strategies and substantial American support became available for research expansion. Dr I H Urmani, first chairman of the Atomic Energy Commission, played a crucial role in its development. He was an able planner and administrator. The research

orientation of these institutions, as well as that of the fledgling Department of Physics at the University of Islamabad, was, however, determined by Professor Abdus Salam.

The research programme that evolved under Salam's guidance was heavily biased towards theoretical physics; particle physics, in particular, became an obsession. Almost all the scientists who gathered around Salam specialised in this. Some, such as Dr Riazudin, became internationally respected experts. However, a research programme which concentrated on particle physics was of little relevance to the industrial and economic needs of Pakistan. Some work was also undertaken in plasma and solid state physics, but here, too, there was an inherent bias against experiment.

There were, of course, important constraints on the development of an experimental research programme. Islamabad physicists stress the lack of laboratory facilities and equipment. Salam and his group also became increasingly dependent on foreign support and not just in terms of research grants. Foreign approval was actively sought, with research programmes deliberately designed to fit the needs of European and

American universities. There soon developed a free-for-all chase after foreign grants and fellowships. It was therefore natural that the physical "establishment" placed little emphasis on the development of innovative potential and indigenous research capacity. It is particularly significant that despite growing Pakistani-Chinese cooperation in industrial and military matters Pakistani physicists learnt nothing from the Chinese success in develop-

ing an independent scientific research capacity.

The importance of such a capacity was underlined by the Bhutto administration's commitment to developing Pakistan's nuclear potential. Pakistan's success has been impressive. The strict embargo placed by western governments effectively stopped Pakistan importing assembled equipment. Nuclear fuel reprocessing plant and centrifuges have had to be locally produced. The blueprint for the entire project was prepared locally, in contradiction to assertions by British journalists who seem convinced that no non-white people have the ability to achieve any significant scientific breakthrough.

Pakistan, it is alleged, is on the verge of becoming a nuclear power. Whereas the expected nuclear explosion has failed to materialise, it has brought about intensive collaboration between India and Israel and has thus forced many Muslim countries to take an active interest in the Pakistani nuclear development programme.

Since Bhutto's time considerable emphasis has been placed on the expansion of the experimental physics research programme. This was partly a response to Professor Abdus Salam's resignation as scientific adviser to the president over the Qadiani movement of 1973 and the subsequent emergence of Dr Munir Ahmad (who went to Pakistan from the International Atomic Energy Agency at Vienna) and Professor Qureishi as influential science policy makers. Impetus for this expansion also came from the Bhutto government's decision to give priority to the building of heavy industries in the country.

The Bhutto industrialisation strategy did not succeed. Some observers have blamed People's Party cadres of corruptly abusing their managerial position within the heavy public sector industries.

Integration of Pakistan's industrial, military and scientific expansion programmes is essential to economic and strategic independence. Pakistan today is incapable of independently manufacturing tractors, heavy industrial equipment, tanks, aircraft or ships. It is dependent on foreign powers in these areas and so is highly vulnerable both to economic blockades and military pressure. Science policy should therefore aim to reduce Pakistan's

military and economic vulnerability.

Rapid expansion in the electronics industry may provide a suitable vehicle for integrating scientific, military and economic advance. Atomic physics, nuclear physics and solid state physics can contribute to and gain from the expansion of this industry, which is capable of producing much-needed industrial and military equipment. Many developing countries – including Malaysia, Singapore, South Korea, Taiwan, Brazil and Mexico – have put emphasis on the development of the electronics industry, which is the fastest growing industry in the world. It can play an important role in consolidating structural change in Pakistan.

There is a need to abandon the blind alley of particle physics and to concentrate on solid state and atomic physics. There is a need to downplay the importance of research links with the West and to pay less attention to its awards and its assessment criteria. Fellowships and short-term "flying" visits to western research institutes can serve no useful purpose. The research priorities of these institutes, the methodologies they employ and their work environment introduces Pakistani scientists to largely irrelevant research themes.

Pakistan should concentrate on developing a wide-ranging apprenticeship programme which allows the exploitation of native skill in diverse fields. There exists a rich reservoir of local skills in Pakistan – evident in the existence of a thriving repair industry capable of putting together some of the most complicated machinery imports from the West. This is a healthy base for the development of an institutional structure to encourage innovation, improvisation and adaptation.

There is also a need to emphasise the task of developing an appropriate philosophical framework for the practice of scientific theory and policy in accordance with the teachings of Islam. Many of Pakistan's leading science policy makers – Professor Raziuddin Siddiqui, Professor Mazhar Qureishi, Dr Naim Ahmad Khan and Dr Qadir Khan and his associates – are deeply religious people. Some of them have made significant material sacrifices and given up lucrative international assignments to work in Pakistan. These scientists face the challenge of developing an Islamic theoretical appreciation of scientific phenomena and processes.

RAILWAYS DEVELOPMENT PLAN DETAILS REPORTED

Karachi DAWN in English 16 Jun 82 p 9

[Text]

LAHORE, June 15: Pakistan Railways will spend Rs. 1300 million on its Annual Development Programme for 1982-83. The Railway ADP includes foreign exchange component equivalent to Rs 567.741 million.

Disclosing this to PPI here on Tuesday the General Manager, Pakistan Railways Mr. A. U. Zafar said top priority was accorded to the renewal and rehabilitation of the track. Rupees 300 million have been earmarked for the purpose. The works include complete renewal of 112 kilometers of track with 100 pound rail and 40 kilometers of track with 90 pound rails. Besides, there are another 40 kilometers of rail renewal along with 40 kilometers with sleepers on the main line and 125 kilometres of sleeper renewal on the branch line. The track stabilisation would increase efficiency and lessen derailment incidents, he pointed out.

LOCOMOTIVES

Second priority in the Railway ADP had been given to the purchase of locomotives and rehabilitation of 42 locomotives. Rs 220 million had been reserved for the purchase of locomotives under an ongoing scheme. In all 38 locomotives were ordered by PR of which 20 had already arrived. Eighteen more would be received during the next financial year, including eight in knocked-down condition, to be assembled in Pakistan.

He said Japan would also transfer locomotive manufacturing technology, for which the locomotive factory was being built. The selection of site for the factory was to be finalised shortly.

PASSENGER COACHES

Forty-two old diesel electric locomotives would be rehabilitated under an on-going programme by Railway, for which Rs. 200 million had been reserved. Rehabilitation of the

locomotives would be done with the assistance of CIDA (Canadian International Development Agency).

An amount of 183 million had been allocated for manufacturing passenger coaches. Some 126 coaches will be built in Islamabad Carriage Factory, while a number of coaches, including airconditioned ones, would be repaired and rehabilitated, including air condition coaches. Rs. 40 million had been allocated for the purpose. For increase in the line and terminal facilities the Railway ADP included an allocation of Rs. ten million.

LINE CAPACITY

The G.M. Pakistan Railway, said it was very essential to increase line capacity, so that unloading of goods could be done expeditiously and these wagons should be placed on line for more frequent movement of goods wagons.

The new microwave communication system would be completed by the end of the current calendar year. With the monitoring of minute-to-minute working, the Railway efficiency would be enhanced. The ADP allocation under the head for 1982-83 is Rs. 127 million.

LAHORE DRY PORT

For improvement of dry port facilities in Lahore, organisation of locomotive maintenance factories and modern management system which includes modernisation, which would also require computerisation, Rs. 88 million have been provided under the ADP 1982-83. An allocation of Rs. 9 million has been made for the feasibility report on electric traction between Khanewal and Karachi.

For rehabilitation of bridges on main and branch lines Rs 9 million have been provided while Rs 2 million have been provided for civil works for the welfare of the railway employees.—PPI.

GRID STATION IN NWFP INAUGURATED; POWER DEVELOPMENTS

Islamabad THE MUSLIM in English 20 Jun 82 p 8

[Text]

PESHAWAR, June 19: The NWFP Governor, Lt. Gen. Fazle Haq today inaugurated the Kark Grid Station built at a cost of Rs. 12.5 million in ten months.

Speaking on the occasion, the NWFP Governor said that during the last five years, 666 villages have been electrified in NWFP, which include 890 villages in the Tribal Areas and 776 villages in the settled areas, while before the advent of present government, in NWFP, only 2,000 villages were electrified. Similarly, the total number of electric connection in NWFP in June 1977 was 3.5 lakh and during the last five years, 2,11,000 thousand new connections were given.

Gen. Fazle Haq said that in order to augment, improve and expand the electric supply, 15 new grid stations have been installed in NWFP during the last five years, while four such grid stations are nearing completion and work on eight new grid stations is expected to commence, during the ensuing fiscal year.

The NWFP governor said that 450 Km long transmission lines were laid since July 1977 and 220 kilometre long transmission lines are expected to be laid during the

current fiscal year. He expressed the hope that with the commissioning of a Grid Station at Karak, the electricity supply to the area would improve and expand, considerably.

Gen. Fazle Haq said with the upgradation of Kohat as division and Karak as district, the pace of development would be further accelerated and tangible benefits would accrue to the people, as petty problems would now be resolved, locally. He said the government had given adequate stress and thrust on the speedy uplift of the southern districts of the province, which unfortunately lagged behind in the development pursuits. With the hectic efforts of the government, a major headway has been achieved in the drinking water sector. These areas, now are not less than any other area of the province, in respect of the drinking water facilities, he added.

Gen. Fazle Haq said that the southern areas of the province have got adequate mineral potentials and with the availability of water and electricity in the area, the mineral exploitation would be expedited, he also congratulated the WAPDA workers who were associated with the project and lauded their services.

The inaugural ceremony was attended by a large number of office bearers of Local Bodies, elite of the area and high ranking officials.

Earlier, on arrival the Governor was received by Local Bodies office-bearers and prominent citizens.

The NWFP IGP Diljan Khan, Commissioner Peshawar Division Jehanzeb Khan and D.G. Local Government accompanied the Governor.—APP

IRANIAN CRUDE OIL TO BE SUPPLIED

Lahore THE PAKISTAN TIMES in English 15 Jun 82 p 10

[Text]

ISLAMABAD, June. 14: The supply of 10,000 barrels of crude oil per day from Iran will begin next month, the Federal Minister for Petroleum and Natural Resources, Maj.-Gen. (retd) Rao Farman Ali Khan disclosed here today.

Talking to newsmen at the Islamabad Airport on his return from Iran, the Minister said that the crude oil will be refined at the three refineries in the country.

Iran will supply crude oil to Pakistan for a one-year period according to the agreement signed between Finance Minister Ghulam Ishaq Khan and the Iranian Oil Minister in Teheran recently.

Rao Farman Ali Khan during his stay in Iran held talks

with his Iranian counterpart and discussed matters relating to the cooperation between the two countries in the field of oil exploration.

The Minister said that Iran has agreed to supply Pakistan an oil exploration rig to be used by the Oil and Gas Development Corporation. He said a four-member Iranian delegation will visit Pakistan shortly to discuss the prospects of oil exploration in Pakistan. A similar delegation will also visit Iran after Iranian delegation's visit, he said.

Maj.-Gen. (retd) Rao Farman Ali said Iran desires to promote its trade relations with Pakistan. He said it is high time for Pakistan to capture the market of Iran.—PPI.

CSO: 4220/79

ANOTHER NITROPHOSPHATE PLANT PLANNED

Karachi DAWN in English 22 Jun 82 p 12

[Text]

ISLAMABAD, June 21: The Government is exploring the possibility of setting up another nitrophosphate plant near Samasatta to meet the requirements of the country.

This was stated by the Minister for Industries, Mr Elahi Bukhsh Soomro, in the Majlis-i-Shoora during Question Hour this morning, while replying to a question by Mr. Atta Mohammad Marri.

He said there was only one nitrophosphate fertiliser plant with an annual production capacity of 70,000 tons which meets about 30 per cent of the country's requirements.

In reply to another question, the Minister informed the House that PICIC and IDBP sanctioned 839 projects during the last five years, with a total investment of Rs. 8.2 billion, having a foreign exchange component of Rs. 3.5 billion.

He said the total number of projects sanctioned against foreign private loans during this period was over 1000 involving an investment of Rs. 29 billion.

He said a number of factories, sanctioned by PICIC and IDBP and private foreign loans, were

coming up.

The Interior Minister, Mr Mahmoud A. Haroon, informed the House that cultivation of opium had been planned in tehsil Swabi. He said negotiations with the Federal Republic of Germany had been finalised for assistance amounting to five million marks to carry out development programme in the Gadoon area of the sub-division.

Labour Minister, Mr Ghulam Dastgir Khan while replying to a question by Agha Sadruddin Durrani said that Rs. 27.7 million was distributed from the workers' welfare fund during 1980-81.

He said 50 to 60 thousand persons were needing provided jobs through employment exchanges every year, and added that the labour force was increasing at a rate exceeding three per cent per annum, which added about 800 thousand persons per annum to labour force.

He said the economy was thus confronted with the gigantic task of not only providing gainful employment to the new entrants but also to take care of the backlog of unemployed.—AFP.

CSO: 4220/94

COPPER DEPOSITS SURVEY COMPLETED

Islamabad THE MUSLIM in English 20 Jun 82 p 6

[Text]

KARACHI, June 19: The Resource Development Corporation (RDC) has completed the investigation work of copper deposits at Saindak in Chagai District of Baluchistan by drilling more than 51 kilometers and making more than 130,000 chemical analyses of valuable metals contained in the ore, it was learnt from official sources.

The capital cost of the Saindak integrated mineral project and the generation of revenues therefrom have been estimated as dollar 400 million (foreign exchange component of dollar 235 million) and dollar 129.52 million (dollar 60 million in foreign exchange) respectively. Pakistani financial institutions like Bankers Equity, Pakistan Banking Council etc. which will provide the local currency component of dollar 150 million have appointed foreign

consultants of their own to re-evaluate the project.

A British firm which is reviewing the production of acid and steel as well as the transport facilities, will also select the site for locating the metallurgical complex where smelter complex, steel and acid plants will be established. The final report from the firm is expected next month.

A consortium of french-Canadian and Yugoslavian companies calling themselves Saindak joint venture have offered to take 25 per cent share in the equity of the project and provide total foreign exchange component of dollar 234 million.

Romania has promised to submit of the RDC a financial proposal for the supply of plant and equipment of credit.—APP

CSO: 4220/96

BRIEFS

LEADERS' ARRESTS DENIED--The Sind Government has denied a foreign radio report that Begum Nusrat Bhutto, chief of defunct Pakistan Peoples Party (PPP) and Sardar Sherbaz Khan Mazari, chief of the defunct National Democratic Party (NDP) have been put under house arrest in Karachi. The provincial Home Secretary, Mr Mazhar Rafi, when contacted told PPI on Tuesday evening that the report was incorrect. He said no warrants for arrest of either Begum Bhutto or Mr Mazari have been issued by any authority. It may be mentioned that a couple of newspapers in Karachi had also carried the report about the house arrest of Begum Bhutto and Mr Mazari on Tuesday.--PPI [Text] [Karachi DAWN in English 23 Jun 82 p 12]

MAIRAJ, OTHERS ARRESTED--Mr Mairaj Mohammad Khan, Convener MRD, and chief of the Quami Mahaz-i-Azadi, was detained last night at the Central Jail, Karachi, for a period of 30 days. Two other MRD leaders, Khwaja Khairuddin and Maulana Ihteramul Haq, have also been interned at their homes for one month. The detention order was served on Mr Mairaj by the DMLA, Sector 1, Zone C. The internment order was served on Khwaja Khairuddin and Maulana Ihteramul Haq by the Home Secretary, Sind under Section 5 of the Maintenance of Public Order Ordinance, 1960. Police also detained Qari Sher Afzal of defunct JUI Police also raided the house of Nafees Siddiqui of defunct Tehrik-i-Istiqlal but could not find him. [Text] [Karachi DAWN in English 22 Jun 82 p 1]

MYSTERIOUS OBJECT FOUND--A four feet long and two feet wide container, presumably carrying some 'scientific equipment,' has been found at Ban-i-Sar in Turbat District close to the border with Iranian Baluchistan. The mysterious box was airdropped and had a 'soft landing' at Ban-i-Sar, a desolate and forlorn hilly region, travellers coming from the area told DAWN. It was first spotted by an unidentified shepherd who had taken his goats to the region, they said. The villagers informed the local administration and the Assistant Commissioner, TUMP, Malik Mohammad Afzal, rushed to the place along with a team of levymen knowing the area well. The official visiting the place felt the presence of some poisonous gas in the atmosphere and left the region without resolving the mystery. The higher authorities were informed about it who have started the investigations. [Text] [Karachi DAWN in English 22 Jun 82 p 1]

FARAZ EXPELLED FROM KARACHI--Islamabad, June 22--Mr Ahmad Faraz, the noted Urdu poet who was this morning expelled from Karachi for 30 days under the Sind Maintenance of Public Order, arrived in Islamabad. Mr Ahmad Faraz, who had gone to Karachi to participate in a Karachi Press Club Mushaira, was served with the order of expulsion by 2 a.m. today at his hotel room by police. He was later escorted by the police. [Text] [Karachi DAWN in English 23 Jun 82 p 1]

WELL DRILLING FOR REFUGEES--Peshawar, June 22--The first drilling rig, imported by the UNICEF, has arrived and has started drilling wells for Afghan refugees. This rotary-cum-percussion rig is the first of its kind in NWFP imported from USA. The drilling expert from Australia, on Monday demonstrated its working here on Warsak Road. [Text] [Karachi DAWN in English 23 Jun 82 p 4]

RAHIMYAR KHAN SEED PLANT--Lahore, June 20--The Rahimyar Khan Seed Processing project of the Punjab Seed Corporation will start functioning on experimental basis in the beginning of September with a capacity of processing of 16,000 tonnes of cottonseed and 17,100 tonnes of wheat annually. This installation of machinery on the project was in progress and likely to be completed by the end of August. This project is being installed by the Punjab Seed Corporation in collaboration with the World Bank at a cost of Rs 62.5 million. Of that amount a sum of about Rs 45.2 million is being spent on machinery already provided by the World Bank in foreign exchange. An amount of about 17.4 million was spent on the construction of the plant building.--PPI [Text] [Karachi DAWN in English 23 Jun 82 p 4]

KARACHI PORT CONSTRUCTION WORK--Karachi, June 19--Construction work under the Master plan prepared for the development of the Port of Karachi, is expected to begin during the next financial year (1982-83), it was officially learnt here today. Under the plan, the first set of eight berths including modern container terminals, will be brought in use during 1987-88, adding about two million tons of dry general cargo capacity to the port the estimated cost of the project is Rs 1,000 million. Meanwhile, construction of 75,000 DWT oil tanker berth in the lower harbour, the dredging of the harbour approach channel and the procurement of trailing suction hopper dredger has already been completed. The project has doubled the Port's oil handling capacity from 5 million tons to 10 million tons per annum. The third project, scheduled for completion by end of 1982, will increase the port's equivalent dry general cargo handling capacity by about 1 million ton to an aggregate of 6 million equivalent dry cargo tons per annum and container handling capacity to one lakh tons. APP [Text] [Islamabad THE MUSLIM in English 20 Jun 82 p 6]

HELD FOR ARMS SMUGGLING--Peshawar, June 19--Hafeez Khan a television artiste of Peshawar failed to exploit his artistic skill when he was caught by the airport customs while carrying 10 kilograms of heroin powder to Karachi this morning. The stuff was valued at Rs 3 million. The search of the accused who is an arms and ammunition dealer revealed certain documents on his person containing the details of transaction in revolvers and pistols. The custom team headed by Mumtaz Ali Khan is thoroughly investigating the case as it also suspected large scale movement of illicit arms to down country. [Text] [Islamabad THE MUSLIM in English 20 Jun 82 p 8]

PIA SERVICE TO SHARJAH--Peshawar, June 19--The PIA opened another international section from Peshawar when a boeing aircraft with 61 passengers on board left for Sharjah this morning. The first passenger to board the plane was the unaccompanied minor Tahir Hussain who will be joining his serving parents in Sarjah. Seven-year-old Tahir is a student of the Cantonment Public School and has gone on summer vacation. The inaugural flight passengers who were garlanded and given the inaugural and given gift boxes to mark the occasion were seen off at the airfield by the Northern Areas General Manager of the airlines, Hameed Wyn. This additional international flight which will greatly help the workers taking up jobs in Sharjah, will operate every Saturday. Already the NWFP capital had direct flights to Dubai and Abu Dhabi while special customs arrangements had been made at Karachi for the NWFP passengers coming from Doha. [Text] [Islamabad THE MUSLIM in English 20 Jun 82 p 8]

DEFENSE EXPENDITURE RAISED--Islamabad, June 14--The current Budget raises expenditure on Defence by Rs2502.4 million or 12.8 percent over the revised estimates. The share of defence in the total current expenditure is 47.1 percent in 1982-83. A total of Rs 2,24,12,191 thousands has been allocated for the Ministry of Defence in the current Budget out of which 2,20,52,000 thousands are for defence services, Rs 1,69,184 thousands for Aviation, Rs 47,813 thousands for Survey of Pakistan, Rs 44,621 thousands for Meteorology and Rs 98,573 thousands for the expenditures of the Ministry of Defence. Ministry of Defence: Estimate of the amount required in the year ending on June 30, 1983, to defray salaries and other expenses of the Ministry of Defence was Rs 9,8573,000 while in the previous year it was Rs 9,48,52,000. Out of this Rs 9,52,85,000 was for defence administration and Rs 32,88,000 for Transport and Communication. A total of Rs 22,05,2000,000 was estimated to be required for the salaries and other expenses of the Defence Services in the year ending on June 30, 1983. While Budget estimate for Defence Services during 1981-82 was Rs 17,65,6200,000 and revised estimate for the same year (1981-82) was 19,548,000,000. [Text] [Islamabad THE MUSLIM in English 15 Jun 82 p 10]

DOUBLED ELECTION EXPENSES BUDGETED--Islamabad, June 14--The estimates of the amount required in the year ending on June 30, 1983, to defray the salaries and other expenses in connection with the elections in the country has been almost doubled for the fiscal year 1982-83 as compared to the revised estimates for the year 1981-82, according to the announcement made by the Finance Minister while announcing the National Budget here today. A total amount of Rs 33 million would be spent as compared to Rs 15.73 million on the revised estimates of the year 1981-82. It may be noted that the original Budget estimates for 1981-82 under the same head were Rs 28.60 million. It may be mentioned that under the head of establishment charges Rs 9.93 million would be spent while the amount to be paid under the head of basic salaries of the employees of the Election Commission is Rs 6.08 million. [Text] [Islamabad THE MUSLIM in English 15 Jun 82 p 10]

MORE ON LAW AND ORDER--Islamabad, June 14--The police are among several other law and order departments whose allocations have been raised for the year 1982-83. Over the revised estimates of 1981-82, the provision for law and order during 1982-83 has been enhanced by 12.8 percent taking it from Rs 1092.6 million to Rs 1232.9 million. The largest increase of Rs 133.4 million is proposed for police and civil armed forces followed by justice and law courts (Rs 1.5 million), civil defence (Rs 1.1 million), and narcotics control (Rs 1.1 million). [By Anwar Iqbal] [Text] [Islamabad THE MUSLIM in English 15 Jun 82 p 10]

PUNJAB TERRORISTS ROUNDUP--Rawalpindi, June 21--Mr Laeeq Ahmed Khan, IG Police, Punjab, said in a Press conference here on Sunday evening a total of 170 persons allegedly involved in terrorist activities directly or indirectly so far have been rounded up throughout the province. He said that investigation in Chaudhary Zahoor Elahi's murder case has been completed and is presently being legally scrutinised. He said the interrogation of detenus in the Shahi Qila (Royal Fort) of Lahore was being conducted on purely scientific lines and without undue torture. He was replying to a question regarding alleged torture of such persons in the Qila. Mr Khan said the interrogation is being conducted under the supervision of experienced and senior police officers. He said there are 15 cells in the Fort which are being used for keeping these detenus. [Text] [Karachi DAWN in English 22 Jun 82 p 4]

PLEA FOR WOMEN'S UNIVERSITIES--Lahore, June 18--Miss Shagufta Fatima, Secretary-General of the womens section of Islami Jamiat Tulaba, has urged the establishment of four women's universities at Karachi, Lahore, Islamabad and Peshawar to do away with Coeducation in the country. Addressing a Press conference here today, she said women should not be allowed to work in television programmes or invited to any function which included dances or cultural programmes. Any government officer involved in inviting women in such functions should be severely dealt with and a ban should be put on cultural programmes and entertainment gatherings. The television and radio should not be allowed to relay cheap songs and dances. She said, separate rooms should be provided to women working in offices and other places. No officer should be allowed to call them in his office alone, neither he should visit any woman while she is alone in her office. She also called for provision of jobs to women in public registered companies beside providing them jobs in Government and semi-government offices. The ladies traveling in buses should be provided separate place in the buses. She condemned the attitude of modern women against the programme of the Al-Huda being shown by the PTV.--PPI [Text] [Karachi DAWN in English 19 Jun 82 p 9]

WATER SUPPLY STATISTICS REPORTED--Only 34 per cent of the total population of 83.7 million in Pakistan is served with water supply, whereas, modern sewerage and drainage facilities are available to about 13 per cent only. There is also a wide disparity in the availability of these facilities between urban and rural areas. This would be evident from the fact that, while in the urban areas safe water is available to 72 per cent of the population and sanitation to 42 percent, in the rural areas access to clean water is available to 20 per cent only and sanitation facilities are virtually nonexistent, being available to only 2 percent of the population. This has been revealed in a report of World Health Organisation (WHO) prepared in connection with progress of International Drinking Water Supply and Sanitation Decade in Pakistan.--PPI [Text] [Karachi DAWN in English 19 Jun 82 p 9]

PROTEST AGAINST OBSCENITY--Hyderabad, June 18--The Tehreek-i-Islami, Hyderabad, today expressed its resentment and indignation against obscenity by burning some newspapers and periodicals here at Gari Khatta. The Tehreek workers also staged silent demonstration and carried placards and banners demanding immediate ban on publishing nude and objectionable pictures. The placards inscribed with "Stop nudity, take stern action against defaulters and enforce Islamic order in totality" were carried by the Tehreek-i-Islami workers, who stood on roadsides to ventilate their feelings. The Tehreek workers in

cooperation with Islami Jamiat-i-Tulba also staged demonstration outside leading mosques in the city today after the Juma prayers demanding an immediate elimination of nudity and vulgarity in the newspapers. They also staged demonstration outside Radio Pakistan and local newspapers repeating the same demand. [Text] [Karachi DAWN in English 19 Jun 82 p 9]

HEART SPECIALISTS TO MOSCOW--A four-member delegation comprising senior heart specialists left Karachi on Friday for Moscow to represent Pakistan at the 9th World Congress on Cardiology beginning from June 20. Dr M. Sharif, of National Institute of Cardiovascular Diseases (NICD) and President, Pakistan Cardiology Society, is the leader of the delegation. Other members are Dr Abdul Samad and Dr Azhar M.A. Farooqi of NICD and Dr Shaukat Malik, cardiologist at the Polyclinic, Islamabad. PPI [Text] [Karachi DAWN in English 19 Jun 82 p 9]

MAIRAJ CRITICIZES ISHAQ--Mr Mairaj Mohammad Khan Convener of the MRD, yesterday criticised the Finance Minister, Mr Ghulam Ishaq Khan, for "denying the relief of 45 percent dearness allowance to the workers and employees of the private sector." In a statement he said the Finance Minister at his post Budget Press conference had reportedly said: "Labour as well as the employers wanted to be left alone" and that "Minimum Wages Act exists in the country which everybody is supposed to adhere to." He described the outlay on Majlis-i-Shoora as "unjustifiable." He criticised the allocation of Rs 30 million for general election and said that similar allocation was made last year but elections were not held. [Text] [Karachi DAWN in English 19 Jun 82 p 9]

BHUTTO BROTHERS' MARRIAGES--As the most famous guerrilla duo this side of the Suez, Murtaza and Shahnawaz Bhutto, the sons of the former Pakistan president, are accustomed to hunting in pairs. So it comes as no surprise that the brothers have managed to bag a brace of birds, of the two legged variety, that is. Last month, in a secret ceremony in Kabul, where they are living in self-imposed exile, the two brothers married two sisters, daughters of an Afghan diplomat. Though the nuptials have been kept a close secret, news of the marriage has managed to filter out to India, and presumably, Pakistan, where their mother, Nusrat and sister, Benazir are currently under arrest. The brides are reported to be very attractive and talented girls who have settled quietly into the rented house in Kabul's embassy row from where the Bhutto brothers have been orchestrating their guerrilla war against the regime of General Zia-ul Haq. [Text] [New Delhi INDIA TODAY in English 15 Jun 82 p 140]

CURTAILING NONESSENTIALS--Islamabad, June 15--The Finance Minister, Mr Ghulam Ishaq Khan, asked the nation to reduce the consumption of nonessential items, like bottle nuts, pan, beverages, tea and cigarettes. He said the country spends between Rs 950 crore to 1,000 crore on these items annually. Rs 650 crore are spent on cigarettes, Rs 20 crore on bottle nuts and pans, Rs 100 crore on tea and Rs 180 crore on cold beverages. Being a developing country, the nation could hardly afford such huge expenditure on these items. The money being spent on these items, could be diverted to the essential development requirements, he said.--PPI [Text] [Lahore THE PAKISTAN TIMES in English 16 Jun 82 p 5]

THIRD PIRKOH OIL WELL--Islamabad, June 19--The Oil and Gas Development Corporation (OGDC) has started the drilling of its third well at the Pirkoh gas field. The drilling of the fourth well at the Pirkoh gas field will be undertaken in the next financial year from OGDC's own sources. Under an agreement signed with the Asian Development Bank, a total of six wells, in addition to the discovery well, have to be drilled in the first phase of development of the Pirkoh gas field. Out of these, three wells will be drilled by OGDC from its own sources and the remaining three wells will be financed from the loan of U.S. dollar 29.8 million signed with the Asian Development Bank. Currently OGDC is carrying out its drilling activities with seven rigs. Three rigs are active at Toot (two for drilling and one for workover operations), two at Pirkoh, one at Dhodak and one at the exploratory well site of Dakhni. OGDC's five seismic parties and three geological parties are actively conducting surveys to prepare new sites for drilling in different parts of the country.--APP [Text] [Islamabad THE MUSLIM in English 20 Jun 82 p 8]

BOOK CONFISCATED--Lahore, June 18--"Freedom for Quran," a book written by one Ahmed, Nawaz and published by Sh. Ghulam Ali and Sons Limited, has been confiscated by the Punjab Government, since it contained objectionable material which might injure the sentiments of a sect of Muslims. A case has been registered against the author and the publisher under Section 99-A of the Criminal Procedure Code.--PPI [Text] [Karachi DAWN in English 19 Jun 82 p 6]

REASONABLE PRICES DURING RAMAZAN--Mr Umer Haji Karim, Vice-President of the Federation of Pakistan Chambers of Commerce and Industry, has appealed to the business and industrial community to maintain a reasonable price level of essential consumer items in particular in conformity with the sanctity of the holy month of Ramazan. In a statement, he said that the holy month of Ramazan brings about a visible change in the consumption pattern and thus experts sizeable pressure on demand of the commodities of daily use with the result that their prices show an upward trend. [as published] He said that the possibility of systematic rise in prices of such items could not be ruled out altogether due to increase in the prices of petrol and the levy of five per cent surcharge on imports.--APP [Text] [Karachi DAWN in English 19 Jun 82 p 6]

PRAYERS FOR PALESTINE LIBERATION--Special prayers were offered in the principal mosques of the city after Juma prayers for the success of the liberation struggle, waged by Palestinians against Israeli aggressors and for the restoration of their rights in Palestine. People strongly condemned the Zionists aggression in Lebanon and expressed their full support and solidarity with the Palestinians.--APP [Text] [Karachi DAWN in English 19 Jun 82 p 8]

PEACE AWARD FOR ZIA--Lahore, June 18--The Pak-German Friendship Association on Friday announced two special awards, one each for President Zia-ul-Haq and German Chancellor, Helmut Schmidt. The award for President Zia is in recognition for his services to forge unity in Muslim Ummah's ranks and for his shuttle visits to Tehran and Baghdad to bring to an end belligerency between the two countries. Chancellor Schmidt is being awarded for his efforts to bring international peace. The awards, announced at a farewell party to Dr H.D. Handrack, outgoing Director Goethe Institute, Lahore will be presented to the two Heads of State through their representatives PGFA Chairman announced.--PPI [Text] [Karachi DAWN in English 19 Jun 82 p 10]

PESHAWAR AMERICAN CENTER--Peshawar, June 18--The American Centre in Peshawar has been closed down for the time being. The Public Affairs officer of the Centre said: "When USIC reopens in late summer of early autumn, it will have a new look, a new location and new orientation. [Text] [Karachi DAWN in English 19 Jun 82 p 10]

JUNIOR DOCTORS' STRIKE CONTINUES--Junior doctors continued the fifth of the series of their strike for the second day on Monday. Emergency cover was, however, provided to the seriously sick patients. At Civil Hospital, over 1,000 patients were attended during the strike period. Junior doctors are observing strike against the arrests of doctors in Lahore and termination of service of doctors at Hyderabad, and other demands. The strike will continue today (Tuesday). The strike which began on May 11 and was observed for fifth time at an interval of a couple of days will continue for three days every week, i.e. Sunday, Monday and Tuesday, till their demands were accepted. [Text] [Karachi DAWN in English 17 Jun 82 p 16]

POLITICAL FREEDOM DEMANDED--Multan, June 14--The President of the defunct Pakistan Muslim League (Qayyum Group) Roy Mansab Ali has demanded immediate lifting of curbs on political parties in the country. Addressing an emergency meeting of the central working committee of the defunct party at Mumtazabad on Sunday, he said with the restoration of political activities, his party would expose all those who were working against the ideology of Pakistan. [Text] [Karachi DAWN in English 16 Jun 82 p 4]

KUWAITI TEAM VISITS--Islamabad, June 15--A delegation of Kuwaiti National Petroleum Company, will visit Pakistan by the end of this month to discuss matters relating to collaboration with Oil and Gas Development Corporation for undertaking joint projects in Pakistan, informed sources said here on Monday. It may be recalled that during the Kuwaiti Oil Minister's visit to Pakistan recently, the two countries had decided that OGDC and KNPC will cooperate with each other and undertake joint oil exploration projects in Pakistan. PPI [Text] [Karachi DAWN in English 16 Jun 82 p 10]

BODY FOR STUDENTS' PROBLEMS--Islamabad, June 21--The Government has constituted a high-powered committee led by Dr Mohammad Afzal, President's Adviser on Higher Education to recommend measures to solve the students' problems. Official sources said that the secretaries of the education ministries of all the four provinces would be the members of the committee. The committee would submit a comprehensive report to the President after thoroughly studying the matter. The committee have been set up on the directives of the President who was very keen to take welfare steps for the youth of the country. The President, in his directive had hoped that immediate steps would be initiated to revive the dignity and honour of the educational institutions and the students' community, he said. Dr Afzal has started meeting the representatives of the teachers, students and elites of the cities to consolidate his recommendations, at the earliest possible time. In this connection he recently held discussions with various students and teachers delegation of the Azad Kashmir. Dr Afzal has appealed to the students, teachers and citizens to forward proposals to enable the government to streamline the educational institutions. Their proposals should be framed in a way that it should encourage cordial relations in the institutions and should constrain the political parties to indulge in students affairs.--APP [Text] [Karachi DAWN in English 22 Jun 82 p 72]

PAGARA STRESSES PEOPLE'S MANDATE--D.I. Khan, June 21--Pir Sahib of Pagara, president of defunct Pakistan Muslim League, has said that Pakistan was established through the votes of the masses and it could survive only through the people's mandate. He was addressing a gathering of his party workers at the residence of Malik Fazal, Secretary of defunct PML, D.I. Khan. Pir Sahib said he was third in a row to lead the Muslim League from Sind province after Sir Agha Khan the first president of the party, and the Quaid-i-Azam Mohammad Ali Jinnah. [Text] [Karachi DAWN in English 22 Jun 82 p 12]

SIND DISTRICTS DEVELOPMENT PLANS--Karachi, June 20--The Sind Government will formulate master development plans for every district of the province in the next financial year. These plans, which would constitute the Annual Development Programme in the future, will be prepared by the Planning and Development Department in consultation with district councils and district coordination committees. Modalities for the proposed plans will be worked out by the Sind Government for final approval. Initially the district plans would cover primary schools, dispensaries, rural health units, road from farm to mandi and other infrastructure of local nature. The district plan for Thatta has already been prepared with the help of UNICEF in 1981-82. The first phase of it covers 14 union councils of the most backward areas and will be implemented during 1982-83 fiscal year. Similarly on the directive of Governor of Sind, a development plan is being prepared for Karachi District rural areas covering grid stations, energising villages, rural roads, water conservation for agriculture, schools and dispensaries. The city of Karachi is already being covered by the master Plan Department of Karachi Development Authority. [Text] [Islamabad THE MUSLIM in English 21 Jun 82 p 6]

TEXTILE MACHINERY CORPORATION--Islamabad, June 21--The Ministry of Production has contradicted a Press report which said that it had decided to make Textile Machinery Corporation an independent full-fledged body and appoint its new Managing Director as Chairman. An official handout issued here today said a news item appeared in a section of the Press created the impression that another Corporation is being added to the existing Corporation under the charge of the Ministry of Production.--APP [Text] [Karachi MORNING NEWS in English 22 Jun 82 p 10]

SHOORA DEPUTY CHAIRMEN PANEL--Islamabad, June 21--Chairman Khwaja Mohammad Safdar here today announced the panel of four Deputy Chairmen of the Majlis-i-Shoora for its current Budget session. They were: Mufti Mohammad Husain Naeemi, Jam Sahib Nawab Alhaj Amir Ali Khan, Akhundzada Behrawar Saeed and Agha Haji Syed Husain. Oath of the office was also administered to the Deputy Chairmen by Khwaja Mohammad Safdar.--APP [Text] [Karachi MORNING NEWS in English 22 Jun 82 p 10]

FATA VILLAGES ELECTRIFIED--Islamabad, June 20--With the electrification of another 129 Federally Administered Tribal Areas (FATA) during the last fiscal year, the total number of FATA villages enjoying this facility has so far increased to 1529. These villages are being electrified as a part of the overall development programme for the far flung tribal areas of the country in addition to the electrification of villages in all the four

provinces of the country under annual development programme and other schemes of rural electrification. Out of above, 26 villages have been electrified in Kurram Agency and Bhakakali each (Frontier region Bannu), while 21 in Aurakzai, 10 each in Bajaur and Khyber agencies were provided with power supply. Similarly, 18 villages of Mehmand Agency (upper and lower), seven of frontier region Kohat, five of frontier region Peshawar and sim of Para Chunkian, Tala Spiwan (North Waziristan), and Nulagori (Khyber Agency) were also electrified during the period under review.--PPI [Text] [Islamabad THE MUSLIM in English 21 Jun 82 p 3]

PAKISTAN-NORWAY FISHERY PROJECT--Lahore, June 19--Pakistan is launching a Rs. 530 million offshore fishery project in collaboration with Norwegian Export Credit Corporation, APP has learned. The Agricultural Development Bank of Pakistan will provide sufficient funds for the exploration of offshore fishery to make the project a success. The Norwegian Corporation will contribute Rs. 280 million whereas Rs. 250 million will be raised within Pakistan. It is further learned that an entrepreneur of Karachi is joining hand with the ADBP in a big way by lending sufficient funds for this purpose. The Norwegians will use self contained ships in which processing and packing of the fish will also be done. They will utilise Makran coast for fish culture and storage purposes.--APP [Text] [Peshawar KHYBER MAIL in English 20 Jun 82 p 4]

JUI LEADER UNDER ARREST--D.I. Khan, June 14--Maulana Fazlur Rehman, a leader of defunct Jamiat-i-Ulema-i-Islam, has been put under house arrest at his village Abdul Khail, about 40 miles from here. The house has been given the status of a sub-jail and police is guarding it. Nobody is being allowed to visit him while his telephone has also been disconnected.--PPI [Text] [Karachi DAWN in English 17 Jun 82 p 13]

ANNUAL BUDGET ALLOCATIONS--The annual budget announced last evening for the next fiscal year provides for an allocation of 31.46 billion rupees for the annual development program. Agricultural development has been given top priority in the development program. The rate of growth in the gross national product is expected to rise 6.2 percent--7 percent in the commodities sector and 5 percent in the services sector. Growth rate target in the industrial sector is set at 9 percent. An amount of 860 million rupees has been allocated for expediting the pace of developmental work in Baluchistan while 200 million rupees has been allocated for this purpose in tribal areas of Northwest Frontier Province. The finance minister said that the government is continuing its efforts to strictly limit the non-developmental expenditures. It has been decided to bring down all the non-developmental expenditures by 7 percent except for defense, repayment of debts and other statutory obligations and subsidies. This will incur a saving of 500 million rupees in the expenditures. This amount has been included in the estimate of expenditures from the following year's revenue resources. [Excerpts] [BK150616 Karachi Domestic Service in Urdu 0200 GMT 15 Jun 82]

GEOTHERMAL ENERGY SUCCEEDING IN PHILIPPINES

Islamabad THE MUSLIM in English 21 Jun 82 p 5

[Article by Manolo B. Jara]

[Text]

MANILA: In the frantic search for alternative and indigenous energy resources, the Philippines gambled on geothermal energy — and won.

"It's full steam ahead as far as the construction of geothermal power plants is concerned," said an official of the state-owned Philippine National Oil Company (PNOC). The country's track record in harnessing geothermal power is indeed a revelation.

Within a span of three short years, the Philippines has emerged as the world's second largest producer, after the U.S., with a total steam-generating capacity of 446 megawatts (one megawatt equals 1,000 kilowatts).

By 1985, however, the country hopes to become the world's No. 1 geothermal power producer. The optimism is understandable. "The Philippines has a lot of hot springs with energy development potentials," said Dr. Arturo Alcaraz whom the PNOC describes as the "father of geothermal energy" in the country.

Elaborating on this point, Dr. Alcaraz said the country lies in the so-called "circum-Pacific ring of fire" which is best illustrated by the presence of either active or dormant volcanoes.

The ring extends from the tip of South America through North America, Alaska and around the Western Pacific through Japan and the Philippines to Indonesia and along South Asia into Southern Europe.

Within this "fire belt," there are about 50 countries either active or interested in geothermal exploration. Geothermal energy is harnessed by drilling wells into the

seething mass of molten rock that forms the earth's interior called magma. In drilling these wells, the aim is to bring the steam or hot water to the surface.

When the pressure of the hot water is reduced, it flashes into a mixture of steam and hot water. The steam is then separated from the hot water and used to run power-generating plants. In its simplest form, hot springs are used to boil chickens, eggs, corn and bananas. They are also popular as health resorts.

The country's interest in geothermal energy dates back to the late 1950s, primarily through the efforts of Dr. Alcaraz. But at that time, his was the proverbial voice in the wilderness because petroleum was cheap and could be had for the taking.

Dr. Alcaraz was unfazed, however, and bided his time. While still head of the Commission on Volcanology, he initiated investigations into the potential of the geothermal field in Tiwi, Albay about 538 kilometres south of Manila. Albay is "home to Mayon Volcano with the world's most perfect cone."

His patience paid off. In 1967, an electric bulb in Tiwi was lighted by geothermal energy for the first time in the country's history. After 12 years, that geothermal pilot plant is still in operation and is now being used to evaporate sea water for an experimental salt-making project.

"That only goes to show the potential of geothermal power," Dr. Alcaraz said. "Geothermal energy is not only renewable; it's also clean," he added, in obvious reference to the warnings of environmentalists on the use of other energy sources like coal.

With the energy crunch, Dr. Alcaraz saw his dream fulfilled. The Government went into a 10-year programme to develop alternative energy sources. The programme was later reduced to five years (1981-85) to underscore what President Marcos has described as a "siege situation."

Under the accelerated programme, the current 88 per cent share of petroleum in the total commercial energy needs will have to be drastically reduced to 55 per cent by 1985. "Hydroelectric and geothermal power would bear the brunt of this effort while the use of coal as industrial fuel enhances the country's independence from oil," said Energy Minister Geronimo Velasco.

The country began using geothermal power commercially in July 1977 with the operation of a three-megawatt pilot plant in Tongonan, Leyte in Eastern Philippines. But large-scale commercial use started in 1979 when the plants in Tiwi and Bay, Laguna in Southern Luzon went into operation.

By 1985, the Government hopes to generate 1,718 megawatts from just six geothermal fields. By that time, the Philippines would have dislodged the U.S. as the world's No. 1 geothermal power producer. "A geothermal hotshot," as one PNOC official proudly claimed.

Initially, the Philippines relied on the assistance of geothermal "veterans" like New Zealand and the U.S. in the large-scale development of its potentials. For instance, New Zealand experts helped build the geothermal plants in Tiwi town.

And with its newly-acquired expertise, the Philippines is now confident of assisting and collaborating with other Third World

nations in harnessing geothermal energy. This concept falls under the so-called Technical Cooperation among Developing Countries being promoted by the United Nations Development Programme.

The on-going cooperation between the Philippines and Indonesia is a case in point. According to the PNOC, Indonesian experts are now helping their Filipino counterparts

in the stepped-up drilling operations for geothermal wells. In return, Filipinos are assisting Indonesians in setting up geothermal plants, as well as advising them in drawing up contracts with interested foreign investors.

With its near-total dependence on imported energy, the Philippines is exposed to the risks and vagaries of world geopolitics. This is to mention the huge drain on the country's foreign reserves as oil prices continue to escalate.

Grim statistics bear out this point. Until the oil crisis erupted in 1973, oil imports never accounted for more than 13 per cent of the total import bill. Successive oil price increases, however, have more than doubled the fraction to 32 per cent by 1980. As a result, the Philippines had to allocate 44 per cent of its 1980 export earnings to pay the fuel bill.

Translated into dollars, that's a whopping U.S.\$1.8 billion, a large chunk of which could have been channelled into fruitful development endeavours. With the full exploitation of its geothermal potentials and other indigenous energy sources, however, the Philippines stands an excellent chance of breaking away from the tight grip of the energy squeeze.—
Depthnews Asia

POLICY DISCUSSIONS WITH BURMA SAID TO PRODUCE FEW RESULTS

Bangkok MATICHON in Thai 5 Apr 82 p 4

[Column by Seni Saowaphong: "Nothing New In Thai-Burmese Cooperation"]

[Text] After using force to drive Khun Sa's forces out of Thailand, General Prachuap Suntharangkun, the deputy prime minister, announced that he would travel to Burma in order to hold discussions with Burma on suppressing the narcotics [trade] along the Thai border. The deputy prime minister's party returned from Burma last week after having spent 3 days there.

According to a statement given to the press by the secretary-general of the National Security Council after the visit to Burma, the two sides held frank and fruitful discussions concerning solving the problems together. The following points were revealed:

1. Both sides agreed to carry out operations continuously in suppressing narcotics along the border between the two countries.
2. There will be an exchange of intelligence concerning this matter.
3. In urgent cases in which it is necessary to cooperate closely in suppressing narcotics, both sides will meet as quickly as possible to discuss the matter.
4. The matter of growing substitute crops was discussed.

As for the matter of narcotics suppression, the agreement mentioned in the statement by the secretary-general of the National Security Council contains nothing new. It is a broad agreement that both Thailand and Burma accepted since the time of the government of General Kriangsak Chamanan. But in conducting operations, no closeness has been evident.

There is no reason to doubt the sincerity of either government concerning drug suppression. But there are many factors that have resulted in the suppression activities not being as effective as they should be. The international criminals have relied on the terrain and the weakness of the administrative powers that are far from the center and used these to their benefit.

Both countries have limited suppression capabilities. Thailand has received greater cooperation from international organizations, the United States and countries in Europe than has Burma. Burma has received help from only one international organization that is part of the United Nations. As for outside countries, the United States has provided only one prop airplane for use in suppression work.

But while the capabilities of the two sides are limited, if they cooperate and coordinate the work, suppression operations will undoubtedly show increased efficiency.

As for Thailand, the moral vision that was shown in suppressing Khun Sa shows that the goal was to suppress narcotics by driving this group out of Thailand. This is an armed group that calls itself the Shan United Army and that is opposing the Burmese government. Thailand's attitude is that the opposition to the Burmese government by the ethnic groups living in Burma is the internal matter of Burma and that other illegal activities besides narcotics activities are separate problems.

As for Burma, it is understood that Burma feels that seizing weapons used to oppose the government cannot be separated from other activities, including [the suppression] of trafficking in narcotics and other smuggled goods and the movement of forces and civilians during periods in which the rebels are surrounded, which is something that they do all along the border in the areas they occupy.

These problems must be solved simultaneously, and things will be completed when there is peace, either by military or political means or some other means depending on the changing conditions.

However, narcotics suppression by itself is related to other steps that the Burmese government has taken in order to bring about peace in the country. This is because narcotics are the life-blood of the minority forces. But in this sphere, cooperation has been limited, with the only form of cooperation being the exchange of intelligence, which is beneficial in carrying on operations. Agreement on this was reached a long time ago but there has not been any cooperation in carrying on operations since no agreement has been reached concerning methods or the stipulation of modes of operation.

Concerning this, this may have to wait until the Burmese minister of home affairs visits Thailand in accord with the invitation by the [Thai] deputy prime minister. As yet, no time for the visit has been set.

This will benefit building and cementing relations between the two countries. They will discuss the areas of cooperation, with proper measures, in a broader sphere than just narcotics.

Otherwise, the matter of cooperation will be just talk, talk that goes over the same matters as before and that is stuck at the same point.

11943 CSO: 4207/103

04 COMMAND OFFICER DISCUSSES RTG USE OF PRIVATE ARMIES IN NORTH

Bangkok MATICHON in Thai 11 Apr 82 pp 36, 37

[Interview with Colonel Somsak Sirisuphandit, an officer assigned to the Joint Operations Center, by Phinit Khunsong, a reporter for MATICHON: "National Defense Is Not the Duty of Foreigners"; date and place not specified]

[Text] Headquarters 04, which is subordinate to Supreme Command Headquarters, was established in 1970 in accord with a cabinet resolution. It was made responsible for the former Chinese KMT soldiers, or the 93rd Division. Later on, in addition to the tasks concerning these KMT soldiers, it [was given the task of] following the movements of the various ethnic minority groups. Phinit Khunsong, a reporter for MATICHON, interviewed Colonel Somsak Siriphandit on several problems concerning the minority groups along the border. The following are portions of the interview.

[Question] Of all the armed minority groups, which one has the most problems with Thailand?

[Answer] Khun Sa's group is one reason that relations between Thailand and its neighbors are not as good as they should be. As for other groups, there are no problems because their movements are being carried on in the other countries and not in Thailand.

[Question] Did we suppress Khun Sa because we were asked to do so by Burma, because we had planned to do so or because we received a policy from the United States?

[Answer] None of these is correct. We have had measures for suppressing these foreign forces for a long time. We have negotiated with this group since 1968. They leave and return again. We once sent border patrol police forces to Ban Muong Song. When they found out about this, they fled. When we sent 39 thahan phran irregulars last October, they sent forces to surround the irregulars. This was clear proof that they had forces in Thailand. We negotiated with them but they refused to leave. We had to choose the final path, that is, to expell them using force. It should be remembered that, at

the end of October, the cabinet, particularly the prime minister, announced at a cabinet meeting that from now on the Thai government will openly and resolutely suppress all narcotics traffickers. For these reasons, there was no reason for us to have to act in accord with any order or request. We acted because we realized that this narcotics group that had assembled forces in Thailand was an undesirable element.

[Question] I have heard that the Haw Chinese, which are a part of Khun Sa's group, and the KMT Chinese feel that in the past the Thai government used them to suppress the communists and guard road construction but that later on the government betrayed them by using violent suppression measures. Why cannot we talk as friends who once worked together?

[Answer] First of all, it must be stated that, concerning the matter of providing protection for road construction that they mentioned, we can dismiss the refugee KMT forces because these forces are under the control of the military. It is true that we once used them to guard road construction in this area. We don't have to talk about this group. As for other groups, Khun Sa's group or Burmese minority groups, guarding road construction, the Thai government does not have a policy of using Burmese minority groups to guard road construction. But what happened resulted from the actions taken by the managers of the construction companies. And it must be said that these groups did not guard construction; they guarded the equipment belonging to the construction companies. The companies that built roads in these dangerous areas had to request permission from the ISOC to obtain forces to protect their equipment. When the ISOC gave them permission, these companies contacted agents who found forces for them. Thus, talking about Khun Sa's forces or other forces guarding construction, they were not providing protection for the government but for the construction companies. They were employed directly by the construction companies.

[Question] What is your view on the possibility of foreign forces cooperating with the communist party in the north?

[Answer] This is something that we have thought about. But I feel that defending Thailand is the duty of Thais, not foreigners. If we show any fear at all of these foreign armed forces, even though Thailand is an independent country with a strong national army, we will not be able to stipulate a correct policy.

Furthermore, in order to provide defense, the cabinet has given permission to set up self-defense villages throughout the country. As for these self-defense villages, if things are carried on correctly this will provide good border protection regardless of which communist party cooperates with which party. We have watched this and made preparations for establishing border defense villages on all fronts. We have done this, that is, Thailand must be defended and protected by Thais. I do not think that it would be right for us to use others as buffers.

[Question] The ethnic minority forces may pose a problem similar to that of the bandit terrorists in the south. Do these groups differ at all?

[Answer] The bandit terrorists in the south are different from these groups because these groups are Burmese, which is different from the bandit terrorists, who are Thais. If these groups cooperate with the Burmese Communist Party, it would be an internal matter for the Burmese government to solve. But if they cooperate with the BCP and pose a danger for Thailand, we might go ahead and cooperate with the Burmese government in suppressing these groups, which are a common enemy.

[Question] What if they cooperate with the CPT?

[Answer] You must remember that before a group can join with the communist party, it must have ideals. The communist party will admit only those who have ideals. Ask yourself what ideals these [minority] groups have. Can they get along with the communist party? I do not think that they can. Since they cannot get along, there is very little chance that they will cooperate with each other. And the communist party will probably preserve its honor and not admit any group that does not have ideals. This is what I believe.

[Question] It is said that at present the communist party is having manpower problems and that they may cooperate with others in the form of mutual interests in carrying on things with government officials. Is this possible?

[Answer] Yes, its possible.

[Question] What will be done?

[Answer] The Northern Border Defense and Development Center is [a unit that] we have created to handle this situation. It is one of our projects. At present, you probably know that the ISOC has set up a civilian-police-military unit in Mae Hong Son. The CPT may again become more active along the border with Burma. Government officials have already established units to carry on operations. This means that if we assemble civilian-police-military forces, regardless of the units, in order to defend the border and set up border defense villages there, regardless of whether the enemy comes from within or without or whether the enemy is a foreign force or a minority group, we will be able to defend ourselves.

Here, I would like to say that national defense is the duty of every Thai; it is not the duty of just the police and the military. I think that the Thai people now realize this. I am happy about the fact that the Fourth Army Area has carried on operations in accord with the "Tai Rom Yen" 9" policy and seized Camp 508. The people there joined together to take food [to the soldiers] to show their joy toward the soldiers. This is one concrete thing that will help government officials suppress terrorism or defend the nation. Since we are involved with the Burmese border committee, we can see what the future problems with the minority groups and armed people in this area will be.

I am sure that these armed groups will have to leave Thailand in the future. At present, they have left and will probably not dare return. In the future,

it will be up to Burma to suppress them. As far as I know, Burma has taken strong action against the various rebel groups in Burma. This is an internal matter of theirs.

[Question] Do you think that the minority groups will be able to liberate their nations?

[Answer] I do not want to answer this question. I think that you probably know the answer to this in view of the fact that the Thai government has implemented such a policy.

[Question] As for the Karens, especially those in the Mae Hong Son area, who have announced the formation of a free state, they may pose a problem since they may occupy some of our territory. What will we do?

[Answer] I have not seen them take over any of our territory. And establishing a state is not easy. To be a sovereign state requires having land, people, state power and sovereign power. Do they have these things? In particular, have they been recognized by the world community? It is difficult to respond by saying that there will be problems, that is, this is a matter for the future. My personal view is that there is only a very small chance of this happening.

[Question] Returning to the problem of Khun Sa, it is said that if Khun Sa is allowed to have power in the border area, Khun Sa will expand his financial influence and get involved with our political groups. Is this correct?

[Answer] I do not know anything about this.

[Question] Some of our high-ranking people and generals have relations with this group. I have heard that they once said that some of our high-ranking people once went into their areas and reached an agreement with them.

[Answer] I do not know about this either. I have been working in this sphere since 1976, and since the implementation of the policy in 1968, I can guarantee that none of our high-ranking officers has even become involved with this group.

[Question] What about the "Chamanan" house at Mae Salong?

[Answer] I will try to explain things. The refugee KMT soldiers living in Thailand, including those at Mae Salong, Tham Ngop and at 10 other villages in Chiang Mai and Chiang Rai, live here legally. They are here legally in accord with a 1970 cabinet resolution. Forward Supreme Command Headquarters was operations director for them. The director at that time was General Kriangsak Chamanan. At that time he was deputy forward supreme commander. He handled this matter so that they would become good citizens. Thus, they built this house in remembrance of General Kriangsak, who took the initiative in giving them a place to live and work and who gave them hope and a future. Concerning

the fact that they built this house and gave it this name, I think that they should have done this. We should not turn this into a major affair. Thais believe that it is good to return a favor. I think that what they did was a good thing that is in accord with our moral principles.

[Question] It has been learned that only a few people knew that an operation to suppress Khun Sa's forces was to be launched.

[Answer] That is probably true. Normally, in the military, one of our principles is that we must use the element of surprise. Otherwise, the enemy will be aware and we will suffer great losses. The best way to ensure surprise is to maintain secrecy by informing as few people as possible and limiting the people who know to the smallest number possible. This is so that if the secret gets out we can discover which person was the one to reveal the secret. But if hundreds of people knew, it would be impossible to determine who leaked the secret. This is standard operating procedure in the military and so as few people as possible were informed. For this reason, the operation succeeded; if many people had known, I do not think this would have succeeded.

[Question] In the past, each time we have held a conference on suppressing these armed forces, they have usually known about this and become alert. Why is this?

[Answer] I do not know. Somebody probably told them.

[Question] I have heard that the armed groups, such as Khun Sa's, have agents and that when there is a conference, they immediately know everything that happened there.

[Answer] I do not know about this. But a general principle of operation is that those engaged in illegal activities must infiltrate agents. In particular, Khun Sa's group has violated not only the ordinary laws but also the constitutional laws. Thus, it is only natural that he would infiltrate agents to gather intelligence. There are several ways to gather intelligence. You can infiltrate agents deep within the enemy. I do not know whether he has done this or not, but this is how things are done.

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ORDNANCE DEPARTMENT PRODUCES LOCALLY MADE ARMORED VEHICLE

Bangkok MATICHON in Thai 10 Apr 82 pp 1, 12

[Article: "The Army Has Produced an Armored Vehicle That Is Said to be Better Than the U.S. V150"]

[Text] The Ordnance Department has successfully built an armored amphibious vehicle. The army gave permission to build this vehicle. The young captain who built this vehicle has said that its quality is better than that of the U.S. V150. It can be used to suppress uprisings.

On 9 April, a MATICHON reporter reported from Supreme Command Headquarters at Sanam Sua Pa that the Ordnance Department had shown off its new armored vehicle, which was produced by the department, for the first time at the 200th military fair. Captain Aphichat Thimsuwan, an officer assigned to the Ordnance Department, was the one who built this vehicle.

Captain Aphichat said that the plans for this armored vehicle were purchased from the Fiat Company. This is a prototype of the Fiat Mellela 6614 model. The parts were purchased from Italy and assembled here. It took approximately 1 month to build the vehicle. This armored vehicle is the result of the skill of the Ordnance Department. Building this vehicle has given us greater technical knowledge. Whenever a vehicle is hit by [enemy] fire, we can repair it. This is different from foreign armored vehicles.

"The heart of the construction is in the body and "hu yut kan phon si" [expansion unknown]. It was built for 3 million baht. But because this is the first one, it is expensive. If the army likes this and orders others constructed, production costs can be lowered," said Captain Aphichat.

The officer assigned to the Ordnance Department said that, as compared with the U.S. V150, this new armored vehicle is superior. It is a light-axled vehicle and can operate in all types of terrain while the V150 is a heavy-axled vehicle and cannot operate in rough terrain. This new vehicle can be equipped with a 93 [millimeter] machine gun, a recoilless rifle and rockets. It can operate in water and can move at a speed of 4-5 miles per hour on its own internal power. It is suited for use in police riot suppression operations and guarding various roads. It is safe from small arms fire and antipersonnel

mines. Its armor is approximately 10 millimeters thick. It uses a turbocharge engine and has a radius of operation of 700 kilometers. It can carry one squad of infantrymen.

However, Air Marshal Prapha Wechapan, the head of the Directorate of Air Operations Control, has said that the Ordnance Department will be ordered to produce more for use in the air force, stated Captain Aphichat.

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THAILAND

GEN HAN SAID TO BE VICTIM OF INFLUENCE PEDDLERS

Bangkok MATICHON in Thai 8 Apr 82 p 4

[MATICHON News Desk column by "An Ordinary Reporter": "Who Is Undermining Lt Gen Han Linanon?"]

[Text] In the end, the story of the transfer of Lieutenant General Han Linanon, the commanding general of the Fourth Army Area, has turned out to be just a baseless rumor.

General Prayut Charumni, the commander in chief of the army, has confirmed that Lt Gen Han will not be transferred.

What is worth discussing is that, even though Lt Gen Han Linanon is known to be an honest general and a professional soldier who wants to eliminate terrorism and make the south peaceful, certain people have tried to "undermine" him and they have vigorously spread "yellow rain" within the army.

It is perfectly understandable that the communist terrorists, bandit terrorists and 500 bandits would want to undermine him since these are the groups that Lt Gen Han and the Fourth Army Area must fight and eliminate.

But ever since Lt Gen Han became the commanding general of the Fourth Army Area, he has been vigorously opposed and criticized by two other important groups in the area.

The first group is known as the "influential group."

As for the second group, it is probable that it is composed of military competitors who want to become commanding general of the Fourth Army Area and other military, police and civilian officials who have relations with the influential group in the south.

It can be seen that the movement to undermine Lt Gen Han's position and destroy his reputation has taken two main paths. First, he has been opposed directly. For example, VDC members in Nakhon Sithammarat reacted and announced that they were turning in their cards. There was also the bombing of the Surat

Thani provincial civil administration headquarters building, which, it now appears, was not the work of communist terrorists but rather of the influential group in the city that is cooperating with the bandit terrorists or communist terrorists.

The other thing that they are doing is spreading rumors, which is considered to be a "yellow rain" type of activity, in the army.

The violent political activities being carried on in the south and the spreading of rumors in the army are being done in a coordinated way. The aim is to have Lt Gen Han relieved of his military duties in the south.

The hope of these two groups is to have Lt Gen Han removed from his present position, regardless of whether he is promoted to a higher position or demoted.

Concerning the one "influential group" that is opposing Lt Gen Han, it will not be difficult for Lt Gen Han and people in general to find out who is involved and how much economic and political influence they have.

But concerning the "influential group" in the army that is vigorously "spinning webs" and spreading "yellow rain," at present it is difficult to tell for sure which "out of rank" soldiers are involved. But they will probably be tracked down in the near future.

Concerning the behavior of those in the "influential group" and some of the "out of rank" soldiers in the army who are presently trying to undermine the position and destroy the reputation of Lt Gen Han, from another point of view, this shows that there are great economic and political benefits in the south. This "golden ax handle" land is thus a desired area.

Even though General Prayut Charumni is trying to silence the rumors, it is believed that these groups will continue to try to undermine the position of Lt Gen Han.

But Lt Gen Han has "stuck to" his proper principles and carried on his "Tai Rom Yen" policy in order to eliminate injustice and create a strong democratic atmosphere, considering only the interests of the majority.

Lt Gen Han is thus like a fragrant piece of sandalwood. He has become more "fragrant" the more he has been attacked. And these people with bad intentions will in the end defeat themselves.

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BURMA BORDER PROVINCE IS SCENE OF LARGE-SCALE TRADE, ARMS SMUGGLING

Bangkok MATICHON in Thai 4 Apr 82 p 7

[Article: "An illegal Checkpoint, But Government Officials Are Involved"]

[Text] "This has been going on for a long time; it has been under investigation for several years. But the investigation has produced only weak evidence. If we had clear evidence that this police general, that deputy chief or this district officer was involved, we could punish him. But we just do not have any such evidence," said Phaksuk Kamphu, the governor of Kanchannaburi Province, to MATICHON concerning reports that local officials in Sangkhalaburi District, including district officials, provincial police, border patrol police, customs officials and thahan phran irregulars, had cooperated in setting up an illegal checkpoint to collect taxes from the merchants who are engaged in trade along the Thai-Burmese border near Chedi Sam Ong in Kanchannaburi.

Concerning this statement by the governor of Kanchannaburi, it appears that all the merchants who are trying to make a living in this area have criticized this, saying that this statement is simply not true since the illegal checkpoint set up by officials in Sangkhalaburi District has been in operation for many years. It is almost an illegal rule and regulation that all officials who are transferred to this district must engage in this. And it is well known that all government officials, including both administrative and suppression officials, want to be transferred to this district, regardless of how much money they must pay to get themselves transferred, since the profits they will make in return will cover the costs.

"The governor cannot say that there must be clear evidence. If he does, those officials who are really guilty would always go free since no guilty person would ever leave evidence behind. Concerning disciplinary punishment, if there is circumstantial evidence that supports the charges, this is sufficient to take action on grounds of negligence of duty. This does not involve a criminal investigation, which would require clear evidence. If things are not done like this, why are there government regulations since officials can just violate them," said a clever merchant.

Concerning the collection of illegal taxes in Sangkhalaburi District, at present it is common knowledge that village headman A (his initial) has been entrusted by these officials with the task of being the "front man." Checkpoints have been set up all the way from in front of village headman A's house to the "Song Karia" checkpoint (the final illegal checkpoint before reaching the Chedi Sam Ong checkpoint, which is the illegal tax collection point of the Free Karens and Free Mons).

As for the illegal taxes, the tax rates change constantly depending on the economic situation. At present, a 10-wheeled truck must pay 8,000 baht and a 6-wheeled truck must pay 6,000 baht. People (Burmese and Mons) entering or leaving must each pay 140 baht. And the tax on cattle and buffaloes is 200 baht per head.

"Each month, at least 100 trucks pass the checkpoint, almost 2,000 people come and go and more than 3,000 head of cattle and buffaloes pass through. You can see how large the profits are. Profits amount to roughly 2 million baht," said another merchant. He also added that if a merchant resists or avoids paying the illegal tax, he will certainly face the 357 "gun" of village headman A.

"Facing this gun, we have to give in. Whoever takes the risk dies. The influence of those in uniform is greater than those who are not in government service," said the same merchant.

One resident of Sangkhalaburi told MATICHON that the officials in this district make money in other ways besides collecting illegal taxes. They are also engaged in illegal trading activities too.

"War weapons, smuggled guns, smuggled timber, all types of smuggled items, no one else dares engage in this trade since they do it all," said the same resident of Sangkhalaburi.

Such behavior on the part of these officials has greatly surprised the people and caused them to wonder why their superiors have not taken action against them, since the things that they are doing are against the country's laws and regulations, but have instead allowed them to continue to do this blatantly and brazenly. But there is nothing to be surprised about if it is remembered that these people have the support of their superiors.

Concerning the various weaknesses that have allowed these officials to make profits, one thing that cannot be denied is that no legal checkpoint has been opened along the Thai-Burmese border. Thus, the way to solve this problem is to immediately open a legal checkpoint. By doing this, besides preventing government officials from using this as a way to make profits, the state will also earn an income.

However, the thing that should be done even before setting up a legal checkpoint in accord with the laws is to set up a committee to investigate those officials who have been criticized in order to find out what the facts are.

"I do not think that the high-ranking people will dare conduct an investigation. Because if an investigation is really conducted, they are afraid that they will be implicated," said one merchant.

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CSO: 4207/103

REVIEW ASSESSES KHMER COALITION PROSPECTS

BK190354 Bangkok NATION REVIEW in English 19 Jun 82 p 4

[Editorial: "Coalition Will Put Kampuchea One Step Ahead"]

[Text] The formation of a Khmer coalition government which will fight the Vietnamese occupation of Kampuchea on all fronts--military, economic and diplomatic--has been on and off again for nearly two years, that the news comes almost as an anti-climax. When the representatives of the Khmer Rouge, Moulinaka and KPNLF meet in Kuala Lumpur next week and sign the necessary documents to bring the coalition into existence, we hope that much of the bickering that has gone up to now will end.

We in Bangkok know all about the stresses and strains that are the inevitable accountrements of a coalition government since our government is one and, during his tenure, Prime Minister Prem Tinsulanonda has had to do some tight-rope walking. But there is an essential difference between our government and the Khmer coalition to be formed next week. The Khmer objective would be to challenge the Vietnam world-wide on the diplomatic front while at the same time fighting a guerrilla war in Kampuchea itself.

Internationally, Prince Norodom Sihanouk is the best-known and most respected Kampuchean and we can visualize what effect his charisma and his words will have if he could speak at the coming non-aligned summit in Baghdad. We are happy to note that he has been accepted as the president of the coalition. Vice President Khieu Sampan has been assigned the foreign affairs portfolio, but we doubt that he commands much any respect in international circles. However, his very good relations with China, which has been the only supplier of arms to the guerrillas, would be very helpful.

At this stage we cannot believe that all the differences between the three Khmer patriotic factions have been buried but we are satisfied that the differences have been smoothed over. It is yet to be seen whether the coalition will function smoothly to receive the plaudits of the international community. The coalition must strive hard to get the recognition of such countries like Australia and Britain which have ceased to recognize Democratic Kampuchea. In this of course, the coalition will have the full support of ASEAN.

It had been speculated that if the tarnished image of the Khmer Rouge, especially Pol Pot's notoriety for genocide, is removed and replaced by that of the coalition, there will be a sufficient amount of aid from international sources to enable the patriotic forces to oust the Vietnamese. The forces of the three factions in the coalition need a lot of help. Apart from arms, they require such essentials as food and medicines. But all this is counting the chickens before they are hatched. However, one thing is sure--the three factions have finally realized that this is their last chance.

CSO: 4220/103

THAI PAPER OFFERS ADVICE TO KAMPUCHEAN COALITION

BK210153 Bangkok NATION REVIEW in English 21 Jun 82 p 4

[Editorial: "Khmer Coalition Must Seek Political Solution"]

[Text] With the Khmer coalition government of the three anti-Vietnamese factors all but signed and sealed, it is really time to think how those who condemn Vietnamese aggression--almost all of the countries outside the Soviet bloc--would like the problem to be solved. To all such problems there are two solutions, military or political. It is in finding these solutions that both China and ASEAN differ. As a member of ASEAN and as a frontline country, our interest is of course to find a political solution in accordance with agreements reached both in the UN General Assembly and in the international conference on Kampuchea in New York almost a year ago.

But China's point of view which is that only a military solution is possible--while of course giving verbal support to the ASEAN stand--is quite important because it was her military aid to the Khmer Rouge guerrillas that has kept them through four dry seasons fighting the mighty Vietnamese war machine. The problem is that military solutions are never lasting and exacerbate the issue, predicate another confrontation, and no real solution or peace emerges. We have just witnessed two military solutions and both of them, if only limited objectives are taken into account, were successful.

Britain, refusing to bow to aggression, fought a costly war against Argentina and has reconquered the islands. But has the Falklands issue been solved or has that military action sown only the seeds of continuing confrontation? On the same principle, Israeli troops invaded Lebanon to end Syrian presence there and flush out the Palestinian terrorists. In our opinion, Israel achieved more in Camp David to assure her security than what she tried to achieve in Lebanon. One can delve further into history and come up with the same conclusion.

Sure enough, the Khmer guerrillas have to keep the Vietnamese at bay as they have been doing and, we are confident, that with the guerrillas will receive the necessary aid. But the fundamental thrust of the coalition is to muster world opinion and make it take an aggressive stance. The first matter to be cleared up by the coalition should be to clear up any possible misunderstanding that the new coalition is the same old Khmer Rouge wearing a

disguise. Australian Foreign Minister Tony Street made that very clear. Australia is one of the countries that has withdrawn recognition from Democratic Kampuchea.

If we eschew the military solution of ousting the Vietnamese from Kampuchea by force, then of course greater international pressure than what exists now should be generated. Prince Norodom Sihanouk, if he would take on the job of ambassador-at-large apart from being president of the coalition, could contribute a lot especially among the third world countries. But what is even more important is that Vietnam must be made to realize that her adventure in Kampuchea is suicidal in that she is becoming more and more subservient to the Soviet Union.

Recently Vietnamese Foreign Minister Nguyen Co Thach toured western Europe, Russia and India in search of assistance. Although in many of the countries he visited there were sympathetic words, nothing concrete emerged.

Next month, Thach will be visiting some of the ASEAN capitals. A realization seems to have dawned on Vietnam that total dependence on Moscow may not be the proper policy since it is being drawn more and more as a surrogate of the Soviet Union in this part of the world. While such a role may suit Cuba, Hanoi might be finding it extremely difficult. Although the formation of the coalition has been postponed too often, it should be the intention of the new leadership to impress on the world the need for a political rather than a military solution to Kampuchea.

CSO: 4220/103

'NATION REVIEW' OUTLINES KHMER COALITION STRUCTURE

BK190227 Bangkok NATION REVIEW in English 19 Jun 82 pp 1, 2

[By Sutthichai Yun]

[Text] The draft of the "Declaration of the Formation of the Coalition Government of Democratic Kampuchea" expected to be signed in Kuala Lumpur next week will stipulate the composition of a council of ministers comprising an "inner cabinet" and four "coordination committees." The three-and-a-half-page draft already agreed upon by the three Khmer parties also calls for the appointment of ambassadors or representatives of Democratic Kampuchea to different countries of international organizations.

No changes of diplomatic representatives of DK will be made within the six months ["six months" in italics] following the formation of the coalition government, according to draft, "to ensure the order and efficiency of the diplomatic affairs of Democratic Kampuchea."

The "inner cabinet" will comprise: Somdech Norodom Sihanouk as president; Khmer Rouge leader Khieu Samphan as vice president in charge of foreign affairs and KPNLF leader Son Sann as prime minister.

Four "coordination committees" will be set up in the following areas: finance and economy, defence, culture and education and health and social affairs, the draft says. Each coordination committee will be chaired by three appointees of ministerial rank representing the three participating parties. These ministerial posts in the coordination committees, however, do not constitute any part of the inner cabinet--and come under its jurisdiction.

A clause of significance showing that the Khmer Rouge had won a major concession stipulates that in the event that an "impasse" develops which renders the coalition government of Democratic Kampuchea inoperative, "the current state of Democratic Kampuchea led by Khieu Samphan will have the right to resume its activities as the sole legal and legitimate state of Kampuchea and as a member state of the United Nations in order to ensure the continuity of the state of Democratic Kampuchea."

In the part on "operating principles," the coalition draft agreement outlines the following four points:

1. The coalition government of Democratic Kampuchea is under the legitimacy and framework of the state of Democratic Kampuchea which is a member state of the United Nations; to this end, the coalition government of Democratic Kampuchea will strive to defend the Democratic Kampuchea seat in the United Nations.

2. Each participating party in the coalition government of Democratic Kampuchea shall retain its own organization, political identity and freedom of action, including the rights to receive and dispose of international aids specifically granted it, the coalition government of Democratic Kampuchea shall have no right to take any decision infringing or restricting this autonomy.

3. The workings of the coalition government of Democratic Kampuchea shall be guided by the principles of tripartism, equality and non-preponderance.

4. The operation of the coalition government of Democratic Kampuchea shall be governed by the principle of consensus applicable to matters of importance and relating to:

--the settlement of the Kampuchean problem.

--international treaties or agreements.

--the appointment of important delegations such as those in charge of discussing the settlement of the problem of Kampuchea.

--the eventual modification of the structure or composition of the coalition government of Democratic Kampuchea.

--the appointment of ambassadors or representatives of Democratic Kampuchea to different countries or international organizations.

To ensure the order and the efficiency of the Democratic Kampuchea diplomatic affairs, no question of charge [as published] of ambassadors or representatives of Democratic Kampuchea currently in office should be raised in the period of six months following the formation of the coalition government of Democratic Kampuchea.

Any decision or activity of any party in violation of the above provisions is null and void, the draft says.

In its preamble, the declaration says that Sihanouk, Son Sann and Khieu Samphan, in pursuance of their joint statement signed in Singapore on 4 September, 1981, have agreed to form a coalition government of Democratic Kampuchea with the two main purposes of:

1. To mobilize all efforts in the common struggle to liberate Kampuchea from the Vietnamese aggressors with the view to restoring the motherland as a sovereign and independent country.

2. To bring about implementation of the declaration of the international conference on Kampuchea and other relevant United Nations General Assembly resolutions.

The coalition government will follow the principles of "tripartism, equality and non-preponderance," according to the draft.

Under the draft agreement, the DK Council of Ministers of the coalition government will convene regular meetings inside Kampuchea. Special or extraordinary meetings may also be called when "urgent problems" present themselves. Meetings are convened by the president, vice president or prime minister--and presided over in the same order of precedence by the three members of the "inner cabinet."

The inner cabinet, according to the draft, will be entrusted with the responsibility of preserving the existence of the coalition government which includes the discussion and settlement of differences arising over the interpretation or implementation of the operating principles governing the coalition government.

"In the event of failure, the presidents of the three participating parties will be requested to meet to work out a solution," the draft says.

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PAPER VIEWS SIGNING OF KHMER COALITION ACCORD

BK230219 Bangkok NATION REVIEW in English 23 Jun 82 p 4

[Editorial: "Khmer Coalition Signing Is Only the Beginning"]

[Text] For more than a year the three Khmer factions of Prince Norodom Sihanouk, Khieu Samphan and Son Sann have been holding discussions about forming a coalition government with the specific purpose of ousting the Vietnamese from their country, and improving their image in the world. But again and again the finalization had to be postponed because of minor issues on which one or the other party disagreed. ASEAN produced several formulae for the coalition and those fell by the wayside. China had not been overly helpful until she realized that there was no recourse except the formation of the coalition if democratic Kampuchea is to retain her seat in the United Nations.

The signing of the instruments establishing a Khmer coalition government yesterday at Kuala Lumpur, although it must appear to some as an anti-climax, is actually the fruition of intensive and continuous efforts made by the members of ASEAN. One could be cynical and say that what occurred in Kuala Lumpur was a marriage of convenience, and probably that is true. The retention of the UN seat is so important to all concerned that the three leaders might have swallowed their petty differences and signed on the dotted line.

The coalition's first job is to establish its credibility both internationally and domestically among the Kampuchean people. This could be done only when the image of the genocidal practices of the Khmer Rouge under Pol Pot is wiped out. It was this image that has made several countries de-recognize the Khmer Rouge although they stoutly believe in Vietnamese aggression [phrase as published] and that Hanoi should not be allowed to enjoy the fruits of aggression. It was this principle that made Britain fight a costly 'war' over the Falklands.

If that was the sole intention--retaining the UN seat--the coalition is doomed to failure. But we do not believe that. We do expect the three leaders, especially Sihanouk and Son Sann, to work hard both inside and outside Kampuchea to establish their credibility so that at a future date the resolutions passed in New York last year at the special international meeting

on Kampuchea may be implemented. There will be guerrilla war going on any way and, during four dry seasons, the Vietnamese war machine has not been able to exercise its authority over all of Kampuchea.

The coalition also has the opportunity to offer Hanoi a face-saving way out. The Vietnamese leaders have said time and again that their forces are in Kampuchea only because of China. Without examining this twisted logic too closely, the coalition should demonstrate fully that the implementation of the New York resolutions would not put Kampuchea under China but would bring about a government of the Khmer people's choice.

In the signing of the coalition, both the signatories and ASEAN should remember this is only a starting point and the Troika should pull together if it is to accomplish something good for Kampuchea. ASEAN members will do everything no doubt, but it is the coalition which must achieve the targets it has set for itself. Now, we hope, all the bickering and squabbling is over, and that the coalition will function smoothly.

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THAI-CHINESE COMMUNAL RELATIONS REVIEWED

Chinese Urged to Reflect on Status

Bangkok BAN MUANG in Thai 14 Apr 82 p 5

[Article in the column "Ta Naw Law Khian"]

[Text] His Royal Majesty graciously presided over the ceremonies for Chakri Day and the blessing of the Chinese in Thailand, which took place in the Chinese district on the occasion of the Bangkok Bicentennial celebrations.

The reader may have watched the ceremonies on television as they were transmitted from the scene of the grand affair which the Chinese arranged to present to His Majesty.

Tens of Thousands of Chinese and Thai flowed together to take part and to receive the Royal blessing with enthusiastic and joyful faces.

As many as 100 groups with more than 5,000 people, Chinese and Thai, walked in the reception line that had been organized for them.

Even though the ceremonies were arranged according to Chinese custom the Thai took no offense.

In the reception line that showed great power, it was impossible to say just where were the real Chinese and where were true Thai. It was as if the two had merged into a single flesh.

The weaving procession of not less than 5,000 Thai and Chinese, united as one flesh, passed an impressive pavillion. It was a procession which truly showed the power of a great unity between the people of two races.

The Thai and the Chinese in Thailand make an impressive picture, one hard to forget.

Seeing this image of life, one gets a clear explanation of why, when King Taksin redeemed our nation, Chinese volunteers fought beside the Thai.

It is because the blood of the Thai and the Chinese in Thailand can blend into one blood and because the two uphold the same sacred object, that is, the institution of the sacred monarchy.

Therefore I believe, and my belief makes me proud, that if Thailand should be locked in combat with a mortal enemy, we would not be fighting alone. We would always have our brother Chinese fighting alongside us. This is what I believe.

And because we have a special relationship with the Chinese inside our country, we also feel a closer friendship and familiarity with China than with other countries, even though our two states have quarreled and have only recently established diplomatic relations.

And even though China is a communist country and has played a role in creating terrorists and the Communist Party of Thailand, we do not take this to heart or keep it as an irritant.

If one looks superficially at the Chinese in Thailand, it seems that they bow their heads and lower their eyes and work for their living, nothing more, without any responsible role in society.

The Chinese in Thailand seem to have no duty to recognize or respond to many problems which arise in Thai society and politics, whereas they grasp almost 100 percent of the economic power in the country and play no small part in generating the problems of commercialization, esthetic deterioration and the distortion of mores.

Chinese in Thailand are ringleaders in strengthening the principle in Thai society and government that "Anyone who wants a woman can get her," more than the Thai themselves.

But I don't blame the Chinese. Because they are merchants they must do as they do. If we were merchants we would probably be no better. We ourselves are guilty. Whom can we accuse?

Still, Thai politics and society have now reached the point where they must be medicated before it's too late for them to become "the blessed, safe and happy land" under Royal favor, now and forever, of Chinese and Thai together.

All the leaders of the Chinese in Thailand should recognize that Thailand is their final home. They should all agree from now on that Thailand has problems disturbing to the peace and security of their final home. They should come in and accept responsibility in solving these problems for the sake of their final home.

And where they can help a lot is in the areas of economy and society.

The government should study the conduct and role of the Chinese in Thailand down to the core and should lead the Chinese by the hand into cooperating in really solving our economic and social problems.

Because it is their "uangyin" [karmic fate] to have to study to share with us the good and the bad, and they should share from this moment on.

Before it's too late.

'PHYA KHRUT' Comment

Bangkok PHYA KHRUT in Thai 14 Apr 82 p 3

[Column by "Angkhuet Charoenratsadorn"]

[Text] If carrying sleeping mats and foreign documents they came to live and work and prosper here, the Chinese in Thailand must be greatly indebted to the goodness of the people of this land.

If we retrace our history and the written record is not wrong, it was in the Altai Mountains that the Tai peoples originated and became the ancestors of the Thai in ancient times.

Thai people and Chinese people have a close kinship because the Altai range today is part of the wide territory of South China.

History also records that the last dynasty of the Tai before it fell received visitors from China. Men and women were sent to mingle with the Tai in order to assimilate their race and culture [to those of China]. When the last Tai dynasty fell, the Tai sent out toward a fertile Eastern paradise.

When they reached a great river in Tai caravans divided. One group followed the course of the Salween and was called the Big Thai. The other held to the banks of the Mae Khong and was called the Little Thai.

A fertile land naturally has people in possession of it, so the Tai had to fight the "Khawm people" constantly, until at last the time came when brave warriors were able to wipe them out. The Khawm were extinguished and the kingdom of Sukhothai was established.

Lord Sri Indra was ruler of this land until the time of the great King Ramkhamhaeng, the royal lawgiver, who besides creating the alphabet also provided the charter for the free enterprise economy: "Let sell who will."

In samphans and junks floating on the wide seas and loaded with goods, rice and spices, Thai went to the Chinese city of Shanghai to trade for silk and spices.

Professor Yawt Sedei noted in several places that the main trading partner of Sukhothai was China.

From trade they became wealthy, commoners and nobles alike, because in those days "the King did not take up great handfuls" [in taxes].

At the time of the great King Narai trade between the two peoples was even closer, so close that Chinese shops were doing business in Ayutthaya.

Fine chinaware was also known to the Thai nobility because Chinese craftsmen were regularly invited to come and make it in Ayutthaya.

Chinese and Thai traded long in ancient times, until commercialism was drilled into them. "Ten merchants didn't equal one young prince," but Chinese people would "rather eat crushed dogs than be involved in a law-suit."

Trade therefore fell completely into Chinese hands, because they had more endurance.

Coming down to today, once things looked this way, it was a joy to Thai citizens to see the dragons splendidly devised and the large plates 300 years old that young Chinese presented to His Majesty the King.

Glad faces creased with smiles showed the highest love toward the Royal Family, who belong to the whole Thai people.

Chinese and Thai are brothers.

The Bangkok Bicentennial is therefore an appropriate occasion to seek one another out with smiling faces.

Let us not break the nation in pieces nor persecute one another any more!!

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COLUMNISTS ARGUE FOR FREER TRADE POLICIES WITH INDOCHINA

Singapore's Dealings Cited

Bangkok SIAM RAT in Thai 2 Apr 82 p. 11

[Article in the column "The Granary" by Saengthai Khaokuthai]

[Text] During the time when Mr Pichai Rattakul was prime minister, in the era of the Democracy regime that began 14 October 1973, Thailand agreed to give North Vietnam rice credits of up to 100 million baht per year.

But when fluctuations took place inside the country and in the countries of Indochina, our international relations changed as well.

When Laos changed regimes it relied on Thailand less than before, particularly for imported goods. This was due probably to a shortage of funds and a desire to be self-reliant and less dependent on Thailand.

As for Kampuchea, when it changed hands with Vietnam and Heng Samrin, it bought less from Thailand and fought constantly, eventually cutting off its trade almost completely. What trade remained was border trade, which the Thai army prohibited and punished severely and often. But many groups were profiting from border trade and selling goods in Khmer refugee camps, especially rationed goods sold on the black market.

When the international situation in this region changed, trade between Thailand and Indochina seemed to change along with it.

The National Security Council went so far as to institute a policy strictly cutting off sales of military equipment to the three communist countries of Indochina.

Military equipment, if interpreted broadly, may be very broad indeed, because even food, medicines, some fuels, some chemicals and so on are all equipment, even though not specifically weapons or things used only in fighting.

And while Thailand set itself up to boycott these three countries in military trade, the ASEAN countries came in to back Thailand as the front line in resisting the interference of Vietnam in Cambodia.

Firm agreements were made many times not to give support to any invading communist country and not to add to its ability to invade another country on any account.

To put it simply, the idea was to cut off the hands and feet of Vietnam and Laos, not to let them strengthen their troops to threaten the well-being of the ASEAN countries as they were doing to Kampuchea at that time.

The agreements mentioned at many points the cutting off of sales of military equipment of Vietnam and the two other Indochinese countries.

The fact is that the reason for this boycott was merely to put Vietnam on notice that invading and ravaging their neighbor made the ASEAN countries unwilling to associate with Vietnam.

That is all, because the military equipment we declared ourselves unwilling to sell could be bought by Vietnam anywhere else if they had the money. Communist countries in Vietnam's circle had plenty of equipment to supply them with, even if it cost a little more because it was shipped from outside the region.

And because Vietnam did have money to buy equipment with, one of our ASEAN friends themselves sneaked out to deal with them, all the while their mouths were scolding them to the skies for threatening and interfering with their neighbors.

That country was the Singapore of Le Kwan Yew, the man who hates communism down to his bones.

But communist money Mr Lee has never refused. Even the Moscow Bank, which was set up in Singapore as a trade representative to the free nations, Mr Lee welcomed as a good thing.

This is because he holds that in the language of money there are no -isms. If the Russians meddle too much, he'll just chase them out. Anyone who comes as a friend is welcome. The Russians fear that the free nations might slow or stop sales to communist governments, so they have set up commercial branch banks in various countries, conducting banking operations in the capitalist manner. Mr Lee supports them and encourages them to set up in his country.

When the disturbing news surfaces that Mr Lee is secretly selling military equipment to Vietnam he will probably not deny that he has traded with the communists, against ASEAN principles.

The 500 million rubles per day [sic] that Russia gives Vietnam to sustain its army is fair game for anyone who wants to trade for it, even if the goods one has to offer are a factor supporting a threat against neighbors, because no matter how they fight, the Vietnamese will never go to war with Singapore.

Only Thailand remains steadfast come hot or cold, while the strong forces of Vietnam pay Singapore for military supplies no less than 2 billion baht in 1 year.

Of that amount hundreds of millions return to Thailand, because Singapore buys goods from us to sell to Vietnam under an export system which doesn't require the goods to stop in Singapore.

Knowing this, wouldn't it be better for us Thai to make a trade agreement with Vietnam outright? At least we would have a steady flow of cash entering the country every year.

As for the consideration that such goods are the means of strengthening the Vietnamese to fight Thailand or to threaten our neighbors, don't give it a second thought.

Because whether the Vietnamese get the goods from Thailand or Singapore or somewhere else, if they want to fight Thailand they can do it all day long.

"Now Vietnam has only MiG-19 fighters. Wait until they get MiG 23's, which are many times more powerful than our F-5's," one merchant said about the capabilities of Vietnam.

All this means that whether Vietnam depends on our military equipment sales or not is less important than whether or not Vietnam has fangs, claws and foresight superior to Thailand's. If they really want to fight, then no matter where we block them, there will be no way to hold back.

The merchant's saying is, If the path is good, it's better to have just one customer.

As for whether or not Vietnam will invade Thailand, it's a matter of good winds or bad winds, because throughout their history nearly every Vietnamese born to a mother and a father has seen war.

By now it is practically in the nature of Vietnamese that they must always be fighting with someone. If they don't fight, they don't eat. If they can't fight anyone else they turn around and fight each other. They fight and split their country.

Now that they have reunited their country they are looking for someone new to fight. They are fighting the Khmer Rouge because if they don't fight someone, they'll soon fight each other and split the country again.

Fighting their neighbors is best, because Russia gives them maintenance money regularly.

Singapore probably knows the Vietnamese character and is therefore making money from Vietnam in this way. If one day the war in Kampuchea ends they will probably encourage Vietnam to turn and fight Thailand next.

Then Singapore will probably buy easily and sell nimbly, unconcerned about harm to anyone, just as before.

Columnist Cites Advantages

Bangkok BAN MUANG in Thai 3 Apr 82 p 5

[Column by "Ta Naw Law Khian"]

[Text] I agree with the suggestion of businessmen that the government should review its policies on trade with Vietnam and Kampuchea.

The government's definition of military supplies that are prohibited to sell to Vietnam and Kampuchea is too broad. Clothes, shoes, flashlight batteries, bicycles and so on, ordinary items of daily use, come within this category and must not be sold to Vietnam. At the same time we cannot prevent other countries from selling such goods to Vietnam and Kampuchea.

Even our ASEAN friend Singapore, which opposes Vietnam even more than Thailand does, is calmly selling goods to Vietnam that we say are military supplies.

This prohibition therefore gets results in psychology rather than in strategy, because Vietnam can buy anywhere it can afford to buy.

A disadvantage of the policy is that it causes misunderstanding and conflict between the people and the government, for example, as regards crossing the border and selling in Kampuchea.

Formerly the border provinces were lively and thriving. After the prohibition business slumped before our eyes.

Soldiers and police who enforce the law must suppress and arrest vendors as they would criminals. This causes deep dissension between vendors and officers, because the people are not rich and are little educated. They can't understand why the government must prohibit this trade.

Clothes aren't weapons, shoes aren't rockets, bicycles aren't tanks. That is how they see it.

This prohibition has come out like a rabbit startled by the sound of a shotgun. It harms itself, like a boxer getting ready to enter the ring but cutting down his food, or like sending a soldier out to fight on only one meal for the day.

This prescription came from our American older brothers, who are willing to take it themselves because they are the world's richest people. If they don't sell Russia a measly \$3 or \$4 billion worth of grain they don't feel it anyway.

But Thailand feels it.

They are looking for psychological results, not strategic ones. But we are looking for strategic results.

I say it's the wrong prescription to begin with.

I agree with the suggestion of the businessmen, even though they will be the ones to profit by it, that the government should reconsider its prohibition.

Best of all would be to make trade free with everyone, except for arms sales (which are already prohibited by law). And exit taxes would be paid according to law as revenues for the provinces.

The problem of Vietnam in Kampuchea is a long-term problem which may last many years, and we can't prophesy whether it will end in war or in peace. But whichever it is, we must normalize ourselves and our surroundings as fully and as firmly as we can.

Let me emphasize again: to prohibit the sale of military equipment to Vietnam and Kampuchea, if it is so broadly interpreted that all the universe is military equipment, is to harm ourselves.

Vietnam and Heng Samrin in Kampuchea aren't disturbing anything at all.

Normalizing trade with Vietnam and Kampuchea isn't taking sides in Kampuchea. It is to the economic benefit of Thailand.

Merchants at the border will be able to earn their normal living, and they won't be suspicious of police and soldiers, who are government officials.

The population of Kampuchea, Laos and Vietnam comes to 60 million people. They are undergoing development now. They need to depend on other countries a great deal. To be broad-scale trading partners with a population of 60 million people is no small benefit for the Thai economy.

And making ties of commerce produces benefits all around. It can help greatly to clear the overcast political atmosphere.

P.S.: The government should understand one thing more. The Kampucheans Sihanouk, Khieu Samphan, Sawn San and Heng Samrin are all Kampucheans. Don't get too excited about them. Calm down a little. What Malaysia says is worth listening to.

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CANADA'S MAC GUIGAN CITES REPORT ON YELLOW RAIN

BK210232 Bangkok POST in English 21 Jun 82 p 1

[Text] Canada yesterday joined the war on "yellow rain" with a report to the United Nations that man-made chemicals were being used in Indochina.

Canadian Secretary of State for External Affairs Mark Mac Guigan told a press conference in Bangkok that an independent Canadian study has proved conclusively that the chemical agents which were the basis for the study do not occur naturally in the region.

Mr Mac Guigan said that the report, prepared by Bruno Schiefer of the University of Saskatchewan, would be sent to United Nations Secretary-General Javier Perez de Cuellar today.

"The report does not answer all the questions," Mr Mac Guigan said.

"It establishes conclusively that the agents in question do not occur naturally. They occur because of some deliberate act of human beings," he said.

The 43-page report, produced following a 2-week visit to Thailand by Schiefer in February, said that "it appears that three different types of agents have been employed as warfare agents, one of them being 'yellow rain.' Most of the yellow rain attacks are consistent with tricothecene-mycotox-icosis."

The Schiefer report is the first non-United States claim that tricothenes are being used in Indochina.

It stops short, however, of the Washington allegation that the chemical warfare is Soviet inspired.

Schiefer's most important conclusion appears to be that "although certain types of mycotoxins occur in Thailand...there are no naturally occurring diseases" similar to those reported along both the Lao and Kampuchean borders by refugees and foreign aid workers.

Officials travelling with Mr Mac Guigan, who left last night to return to Ottawa, said that Canada would in future analyse any suspected chemical

warfar samples, but would not actively search Thai border areas for them.

Schiefer, who spoke to two groups of Thai scientists during his February visit, has offered Canadian help to Thai Government of independent agencies investigating chemical and biological warfare.

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BRIEFS

DIPLOMATIC RELATIONS WITH SUDAN--The Government of the Kingdom of Thailand and the Government of the Democratic Republic of the Sudan have agreed to establish normal diplomatic relations as from 15 June 1982 and to exchange diplomatic representatives at ambassadorial level. [Text] [BK161435 Bangkok Voice of Free Asia in English 1100 GMT 15 Jun 82 BK]

FINANCIAL AGREEMENT WITH JAPAN--Thailand and Japan signed an agreement under which the Japanese Government will extend to Thailand a loan totaling about 6.7 billion baht to finance the natural gas separation project and a package of land development projects. The 6.7 billion baht loan, to be extended through the Overseas Economic Cooperation Fund, is subject to a usual interest rate of 3 percent per annum and a repayment period of 30 years, including a 10-year grace period. [Text] [BK161435 Bangkok Domestic Service in English 0000 GMT 9 Jun 82 BK]

COOPERATION ACCORD WITH YUGOSLAVIA--Thailand and Yugoslavia this week signed a cooperation agreement under which both sides agreed to improve and expand trade as well as exchanges of trade information and views between the two countries. Both sides also agreed to support and encourage and exchange of trade delegations and businessmen. They vowed to assist each other in the participation of trade fairs, exhibitions and expositions. The board of trade president signed the agreement in the presence of the Yugoslav ambassador to Thailand and the director of the Yugoslav Chamber of Economy. [Text] [Bangkok Domestic Service in English 0000 GMT 20 May 82 BK]

NATURAL GAS AGREEMENT--More than 4 billion baht will be spent by the petroleum authority of Thailand in the construction and installation of a 42 km long offshore pipeline under the 2d gas sale agreement with the Union Oil of Thailand. The 25 years long agreement was signed early this week by the governor of the authority and the president of the Union Oil. It will take effect in April 1985. Under the agreement the Union Oil will supply the authority with 150 million cubic feet of natural gas per day in 1986. The daily supply will be increased to 400 million cubic feet in the following year. When the project has been fully implemented, Thailand is expected to reduce its import of crude oil by 60,000 barrels, worth about 16 million baht, per day. This will help save the country more than 6 billion baht per annum. [Text] [Bangkok Domestic Service in English 0000 GMT 19 May 82 BK]

AGRICULTURAL PRODUCE INCREASE--The average increase rate of agricultural produce in Thailand during the past 20 years is 5 percent per annum, about 2 percent higher than that of the whole world. Agriculture and Cooperatives Minister Chuan Likphai said more than half of Thailand's annual earning has derived from agriculture. The minister said the export of rice last year earned Thailand more than 20 billion baht while that of tapioca earned the country another 16 billion baht. According to the latest population census, about 72 out of every 100 Thai people are farmers. [Text] [Bangkok Domestic Service in English 0000 GMT 21 May 82 BK]

RICE ORDER FROM CHINA--China, which has suffered heavy flood damage to its croplands in the southern province of Guangdong, has ordered some 60,000 tons of Thai rice worth over 280 million baht for prompt shipment. It is negotiating to buy more rice with many local exporters. These purchases are expected to lead to an increase in the price of this type of rice since the local stock has declined considerably. The harvest for the 1981-1982 main crop finished months ago. [Text] [Bangkok Voice of Free Asia in English 1100 GMT 25 May 82 BK]

LAOS RELEASES THAI--The Lao Government has released six Thai nationals who were detained in Laos. Thailand's ministry of foreign affairs says that the release was made in accordance with negotiations between the Thai interior minister and his Lao counterpart. The release was made on 24 April [as heard] in a ceremony witnessed by the Thai ambassador to Laos and the deputy governor of Nong Khai. [Text] [Bangkok Domestic Service in English 0000 GMT 26 May 82 BK]

JANUARY-APRIL TRADE POSITION--Thailand's international trade position improved during the first 4 months of this year, with the country registering only 8 billion baht trade deficit as against 22 billion baht suffered during the same period of the preceding year. The director of the Bangkok of Thailand's office of the governor disclosed that during January-April the country's exports totaled 57 billion baht, an increase of 12.8 percent from the corresponding period last year. Imports dropped by 10 percent to 65 billion baht. The increase in export has been mainly in the area of tapioca, sugar and textile products. He said the slowdown in imports was a result of the devaluation of the baht against the U.S. dollar, which made import goods more expensive, and a drop in value of all oil imports by 13 percent. He said the picture is very good and it is expected that the country's official reserves will definitely increase. [Text] [BK191255 Bangkok Voice of Free Asia in English 1100 GMT 15 May 82 BK]

TAX COLLECTION EXCEEDS TARGET--The government's tax collection during the amnesty period, which ended on 31 May, turned out to be very successful, Deputy Under Secretary for Finance Phuchong Phengsi said yesterday. The collection reached 2 billion baht--about 500 million baht higher than the 1.5 billion baht target set by the finance ministry. Those who have yet to pay taxes or paid taxes incompletely were allowed to pay taxes by 31 May this year without being fined or subject to any legal actions. In Bangkok alone the taxpayers had paid a total of 1,505 billion baht in due taxes, while in outlying areas, about 500 million baht was collected under this scheme. Formerly it was expected that the collection under this scheme would be less than 1 billion baht as only a small number of people turned up to pay taxes during April. [Text] [BK091219 Bangkok POST in English 8 Jun 82 p 19 BK]

SPECIAL BRANCH FORCE--The special branch division is seeking 600 more men to handle the growing responsibility of protecting diplomats and embassies and gathering intelligence in the provinces. Special branch commander Pol Maj Gen Ophat Rattanasin disclosed yesterday that a request for 600 men would soon be sent to Police Director Gen Pol Gen Suraphon Chunlaphram for approval. If granted, the addition of 600 men will represent an increase of nearly 30 percent in the special branch's personnel. [Text] [BK091219 Bangkok NATION REVIEW in English 7 Jun 82 p 6 BK]

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