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FM ISLAMABAD 091000Z APR 81

TO PRIORITY FCO

TELEGRAM NUMBER 215 OF 9 APRIL

INFO ROUTINE NEW DELHI AND WASHINGTON

INFO SAVING MODUK, UKDEL NATO, KABUL, MOSCOW, UKREP BRUSSELS, PEKING AND JEDDA.

PAKISTAN CURRENT POLICIES

1. RECENT LETTERS FROM SIR J THOMSON SUGGEST THAT WHEN SHE IS IN INDIA NEXT WEEK THE PRIME MINISTER IS LIABLE TO BE FACED PRIVATELY AND PUBLICLY WITH QUESTIONS ABOUT PAKISTAN AND ITS RELATIONSHIP WITH WESTERNTRIES. IT MAY THEREFORE BE USEFUL TO ATTEMPT A SUMMARY OF THE PRESENT POSITION.
2. GENERAL ZIA CAME TO POWER IN 1977 TO PREVENT BLOODSHED AT A TIME OF POLITICAL TURMOIL, AND IN PARTICULAR TO STOP THE ARMY BEING ORDERED TO FIRE ON CIVILIANS. THIS IS STILL HIS PRIORITY. HIS ORIGINAL STATED HOPES FOR A SHORT INTERIM PERIOD OF MARTIAL LAW TO PREPARE THE WAY FOR A GENERAL ELECTION HAVE BEEN FRUSTRATED, HE ACCEPTS THAT HE HAS TO RULE THE COUNTRY AND TAKE MEDIUM TERM DECISIONS, WHILE TRYING TO WORK OUT A LONGER TERM SOLUTION. THE RECENT PROVISIONAL CONSTITUTION ORDER WAS DESIGNED (A) TO CONSOLIDATE THE MARTIAL LAW REGIME'S POWERS (IN PARTICULAR TO ESTABLISH THAT THE LEGALLY SANCTIONED ORDINANCES OF THE MARTIAL LAW REGIME DO INDEED APPLY, AS THE NAME SUGGESTS, WITHOUT BEING SUBJECT TO CONSTANT CHALLENGE THROUGH THE CIVIL COURTS, AND (B) TO PREPARE THE GROUND FOR A RETURN TO A LIMITED FORM OF DEMOCRACY. ZIA TOLD JOURNALISTS DURING YOUR VISIT THAT HE WAS TRYING TO RUN THE COUNTRY WITH MORE LIBERTIES THAN THERE WERE BEFORE HE TOOK OVER FROM BHUTTO. THIS IS NOT TRUE IN CONSTITUTIONAL TERMS, BUT THERE IS NONE OF THE POLITICAL INTIMIDATION AND VIOLENCE WHICH MARKED THE BHUTTO YEARS, AND INDIVIDUALS REMAIN REMARKABLY OUTSPOKEN. NOR IS THERE ANY SIGN OF SOLDIERS ON THE STREETS OF THE CITIES (APART FROM A DISCREET PARA- MILITARY RESERVE IF THERE ARE STUDENT OR RELIGIOUS PROTESTS IN DEFIANCE OF GOVERNMENT ORDERS).
3. SINCE PUBLICATION OF THE CONSTITUTION ORDER AND THE EXPANSION OF THE CABINET LAST MONTH THERE HAVE BEEN FURTHER SIGNS OF MOVES TO ALLOW SOME PARTIES TO RESUME POLITICAL ACTIVITY AND TO CREATE AN ELECTED ASSEMBLY OF SORTS. BUT THE FUNDAMENTAL PROBLEMS REMAIN. THERE IS NO PLACE FOR THE PPP IN THIS SCHEME OF THXZGS, AND YET IT WOULD OVERWHELMINGLY WIN AN OPEN GENERAL ELECTION. ZIA MUST BE CONCERNED THAT A WING OF THE PPP APPEARS TO HAVE GONE IN FOR TERRORISM (THE PIA HIJACKING, AND RELATED CLAIMS BY THE AL ZULFIQAR GROUP), ALTHOUGH THIS HAS ALLOWED HIM TO DETAIN NUMBERS OF HIS

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PRINCIPAL POLITICAL OPPONENTS. (ON PAST FORM THE MAJORITY OF THESE WILL BE RELEASED BEFORE LONG). ZIA ALSO SEEMS QUIETLY TO HAVE FOUND REPLACEMENTS FOR THE JUDGES WHO REFUSED TO TAKE THE NEW OATH ON THE GROUNDS THAT THE CONSTITUTION ORDER PUT THE 1973 CONSTITUTION FORMALLY INTO ABEYANCE (AS IT HAS BEEN SINCE JULY 1977: THE ORDER DID NOT ABROGATE IT), PARTICULARLY ITS BASIC RIGHTS PROVISIONS. THE JUDGES HAVE NO ORGANIZED POLITICAL FOLLOWING, ANY MORE THAN THE OTHER GROUPS SUCH AS DOCTORS, JOURNALISTS AND LAWYERS WHOM ZIA HAD PREVIOUSLY ALIENATED.

4. STUDENT UNREST AND THE FREQUENT CLOSURE OF CAMPUSES MUST BE MORE WORRYING, THOUGH NOT UNUSUAL IN THE SUB-CONTINENT. HOWEVER, THERE IS NO SIGN OF POLITICAL UNREST AMONGST INDUSTRIAL LABOUR, (COMBINATIONS OF STUDENTS AND WORKERS HAVE PREVIOUSLY CONTRIBUTED TO THE DOWNFALL OF PAKISTAN'S REGIMES). PART OF ZIA'S INHERITANCE IS WEAKENED LABOUR LAWS AND HE MAY HAVE TO MOVE TO EASE THE BURDEN ON INDUSTRY BY MAKING "HIRING AND FIRING" EASIER. THIS COULD PROVOKE LABOUR DISTURBANCES. SO TOO COULD A RISE IN THE PRICE OF BASIC FOODSTUFFS DUE TO BE IMPLEMENTED IN MAY AS A CONSEQUENCE OF AGREEMENT WITH THE IMF THAT AGRICULTURAL SUBSIDIES SHOULD BE REDUCED.

5. HOWEVER, ZIA MOVES VERY CAUTIOUSLY AND HIS LUCK MAY HOLD. THERE ARE PROSPECTS OF MORE RECORD HARVESTS AND THE FLOW OF REMITTANCES FROM THE GULF AND EUROPE IS HOLDING UP WELL. UNLOVED THOUGH HE IS, ZIA MAY YET SUCCEED IN GIVING PAKISTAN THE FIRST 5 YEARS OF STABLE AND PROSPEROUS GOVERNMENT SINCE THE DAYS OF AYUB IN THE '50S. IF HERE WERE TO DROP DEAD OR BE ASSASSINATE ANOTHER GENERAL FROM THE COLLECTIVE LEADERSHIP WOULD ALMOST CERTAINLY SUCCEED HIM.

6. AS FOR HIS EXTERNAL POLICIES, IT WAS SIGNIFICANT THAT INDIA HARDLY FEATURED IN YOUR TALKS WITH EITHER ZIA OR AGA SHAHI LAST MONTH. THE PAKISTANIS' PRIORITY IS TO GET THEIR RELATIONSHIP WITH THE AMERICANS RIGHT. BUT THEY WILL NOT BE RUSHED, AND THEY DO NOT WANT TO LOSE THEIR POSITION IN THE ISLAMIC WORLD AND THE NON-ALIGNED MOVEMENT. THEY ARE DEEPLY PESSIMISTIC ABOUT THE PROSPECTS FOR AFGHANISTAN AND FOR IRAN. THEIR CONCERNS OVER SOVIET INTENTIONS IN BOTH COUNTRIES EXTEND TO THE RISKS FOR PAKISTAN. SOVIET-PRESSURE IN 1980 TOOK THE FORM OF AIR INCURSIONS AND OCCASIONAL ATTACKS ON PAKISTAN TERRITORY WHICH WERE HALTED DURING THE SOVIETS MOVES TO GET A DIALOGUE GOING AT THE END OF LAST YEAR AND SEEM NOT TO HAVE RESUMED. BUT THE AUTHORITIES ARE SURE THAT THE HAND OF THE RUSSIANS IS CLEARLY TO BE SEEN IN THE PIA HIJACKING AND OTHER RECENT ACTS OF TERRORISM IN PAKISTAN. AS ZIA TOLD THE PRESS DURING YOUR VISIT, PAKISTAN CAN DO NOTHING TO HELP THE RESISTANCE IN AFGHANISTAN UNLESS ITS OWN BASE IS GREATLY STRENGTHENED, BUT MEANWHILE THE BURDEN OF THE REFUGEES IS INCREASING RAPIDLY (MY TELNO 211) AND THE PROSPECTS OF SAUDI HELP ON A LARGE SCALE FOR EITHER CIVIL OR MILITARY PURPOSES IS SO SLOW COMING THAT THE PAKISTANIS SEEM TO BE DESPAIRING OF IT.

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7. THE NEGOTIATIONS WITH THE AMERICANS WHICH ARE DUE TO START WITH AGHA SHAHI'S VISIT TO WASHINGTON ON 20 APRIL WILL DOUBTLESS INCLUDE FURTHER REQUESTS FOR ARMS TO BE SOLD AT CONCESSIONAL RATES (WHICH THEY HAVE BEEN WARNED IS MOST UNLIKELY, AND WILL CERTAINLY NOT CORRESPOND TO WHAT THE PAKISTANIS SEE AS THE VERY EXTENSIVE AND CHEAP PURCHASES OF SOVIET EQUIPMENT FROM WHICH THE INDIANS ARE ALREADY BENEFITING. NOR WILL NEW ARMS BE AVAILABLE FOR 1-2 YEARS. PAKISTAN'S FORCES WHICH ARE ALREADY MUCH SMALLER THAN THOSE OF INDIA (A ROUGH YARDSTICK OF 1:2 IN THE ARMY, 1:3 IN THE AIR AND 1:3.5 AT SEA) ARE ALSO MUCH MORE POORLY EQUIPPED, EVEN BEFORE THE LATEST INDIAN PURCHASES FROM THE USSR AND THE WEST. PAKISTAN'S PURCHASES IN THE LAST 2 OR 3 YEARS HAVE BEEN AT THE RATE OF DOLLARS 50-60 MILLION A YEAR MOSTLY FOR SPARES, EXTRA QUANTITIES OF OR THE UPGRADING OF EXISTING EQUIPMENT, AND AN AIR DEFENCE WARNING SYSTEM. SOME TOW MISSILES HAVE BEEN BOUGHT, BUT THE AMERICANS HAVE PROVIDED NO NEW CAPABILITIES. THE CHINESE CONTRIBUTION IS HARDER TO QUANTIFY BUT THIS TOO CONTAINS NOTHING MODERN OR LARGE SCALE. DELIVERIES OF AN ORDER FOR 32 MIRAGES F 3/5 PLANES IN 1979 ARE DUE TO BEGIN LATER THIS YEAR OR EARLY IN 1982. FROM THE PAKISTANI DEVELOPMENT OF REBUILD AND OVERHAUL FACILITIES FOR THEIR T-59 TANK AND F6 MIRAGE AIRCRAFT IT COULD BE CONSIDERED THAT NO NEW LARGE SCALE ACQUISITIONS ARE AS YET EXPECTED.

8. AS SEEN FROM HERE THERE IS NOTHING FOR THE INDIANS TO FEAR, WHILE ONLY GOOD COULD COME FROM A REALIZATION THAT ZIA HAS, BY PAKISTAN'S STANDARDS, A REASONABLE SECURITY OF TENURE AND THAT USEFUL BUSINESS COULD BE CONDUCTED WITH HIM.

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