

President of Pakistan General Pervez Musharraf's Address to the Nation

Islamabad

April 5, 2002

My dear countrymen,
ASSALAM-O-ALAIKUM

Pakistan is once again at a historic juncture. October 2002 is fast approaching and a new political era is going to commence. Some very important decisions have to be taken by me and by all of you. Genuine democracy, as I have been saying all along, which is the essence of democracy, has to be introduced and consolidated in Pakistan. It has to be placed on firm foundations. During the past two and a half years, we have done a lot, and in my opinion, all the reforms and re-structuring that we have done in various sectors, will go waste if we do not cap it with true democracy.

I am addressing you today, because this is a historic moment. In the past also I have, on every occasion, taken the people of Pakistan into confidence whenever any important national issue has arisen. I am aware that you have never disappointed me in the past and will not let me down in future either. I am never worried about the views of any group, or any individual or for that matter, any organisation. But, I am always deeply concerned about your views. When I have your support, I feel confident. Therefore, in the same spirit I am talking to you today. It is my firm belief that if the intentions are good and the desire is for the betterment of Pakistan, and the people of Pakistan are with us, then I am sure that God is with us too.

You may recall, we began our government in October 1999 with a seven-point agenda. I will briefly tell you how we have progressed on each of them;

1. Rebuild national confidence and morale. In my opinion, we have a number of achievements in this regard. We can now see a sense of confidence among Pakistanis both at home and abroad. People now say that they are proud to be Pakistanis. With the passage of time, this will improve further, Insha' Allah
2. Strengthen federation, remove inter-provincial disharmony and restore national cohesion. We have successes in this too. National cohesion has taken place. Inter-provincial disharmony has been removed to a large extent. We have to do more in this regard. But I am confident that our even-handed policy towards the four provinces will further enhance inter-provincial harmony.
3. Revive economy and restore investor confidence. We have indeed revived the economy and taken it out from a failed state situation. Investor confidence is gradually building up and will improve further.
4. Ensure law and order and dispense speedy justice. A lot remains to be done in this regard. I will dwell upon it a little later. What we have already done to achieve this is that we have undertaken far-reaching reforms and re-structuring. With the passage of time, further improvements will come about, Insha' Allah
5. Depoliticize state institutions. I have no doubt, whatsoever, that state institutions have been depoliticized. We are strictly following the policy of merit and nothing is being done on personal whims.
6. Devolution of power to the grass-root level. We have already done this. I will give the details later. As you know already, the local governments are on ground and have been functioning well since last August.

7. Lastly, ensuring swift and across the board accountability. We have done quite a lot in this regard. We can never be fully satisfied. But whatever we have done, no government in the past or even in the future will be able to match our performance.

Now keeping this seven-point agenda as a base, an implementation strategy has been given a practical shape. The focus of our development strategy has been on four issues: -

1. Economic revival
2. Bringing good governance
3. Poverty alleviation
4. Political re-structuring

These four were extracted from the seven-point agenda. You also know that the Supreme Court judgment, which was passed in favour of our government, gave us a three-year period for whatever reforms and restructuring that we wanted to do. The court also gave us the permission to make essential amendments to the constitution. We will uphold the decision of the Supreme Court in letter and spirit. Now, I would like to speak a little on the areas of focus:-

Economic Revival: First of all, what have we achieved? During these two and a half years, what we have achieved was neither attempted by any previous government, nor was it planned by them, nor did they have neither any strategy nor any achievement on ground. First of all, I would take the macro-economic indicators and explain them to you.

The most important factor in this connection is fiscal deficit. We have managed to bring it down from 7% to 5.2%. This is very significant because it means that the gap between our expenditure and our income has been greatly reduced. It has far-reaching consequences on the domestic and foreign debt. This means we have reduced our fiscal deficit.

Secondly, foreign exchange reserves. We have increased the foreign exchange reserves from just 500 million dollars to 5.3 billion dollars by the Grace of Allah Almighty. On the issue of foreign debt, a lot of people have been saying that you are also borrowing and so were other governments in the past, so what is the difference between your government and the previous governments? There is a world of difference. Yes, we are borrowing. But our debt, which was 38 billion dollars in 1999, has not increased by a single penny. As a matter of fact, it has reduced by a few hundred million dollars. This is our achievement. We are borrowing but not increasing our debt. We are also repaying our debt. And I would like to mention here that we have repaid almost all of our commercial debt which has heavy interest. Only 600 million dollars remains, meaning thereby, that only two percent of our total debt is commercial debt. This is our achievement.

Some people say all this has happened because of 11th September incident and that we have not done anything extraordinary. I would like to tell you that foreign exchange reserves in July 2001 had crossed the three billion dollars mark, which was a new record for Pakistan. And since then, we have reached 5.3 billion dollars mark. I would like to say that during the past twelve years, previous governments had been receiving money. Our debt had increased from 14 billion dollars to 38 billion dollars during those 12 years. On an average, every year, two billion dollars were coming in. That is why debt has increased. The previous governments were neither repaying debt, which in fact was increasing nor reached 38 billion dollars, nor were the loans being utilized in accordance with any economic revival strategy or developmental plan. The difference is clear. Even after taking loans, we are making repayment and utilizing them according to a developmental strategy and plan. The difference is great.

Now I would also like to talk about the domestic debt. When we assumed office in 1999, the domestic debt had been increasing at the rate of 15.5% over a period of 10 years and was almost 50% of the GDP. We arrested this trend, controlled it and, you would be happy to learn that the domestic debt which was increasing at the rate of 15% per annum, has been reduced by 6.2 % last year. We have brought the figure down from 50% of the GDP to 45% of the GDP.

Regarding the exchange rates, you must be aware that the rupee is today quite strong vis-à-vis the dollar. This is also due to the strength and success of our economic policies. Look at the Karachi Stock Exchange; its index has crossed the 1800 mark. It is being said today that the performance of Pakistan's stock market is the best in the world. This is our achievement.

Look at the remittances. Last year, these increased from 750 - 775 million dollars to 900 million dollars. This was a good achievement, an increase of about 15 to 20 percent. This year, our remittances have crossed 1.4 billion dollars mark. This is the performance of only eight months. And God willing by the end of the year we will reach the two billion dollars mark. These are our achievements.

So, our overall strategy to take the country out of the debt trap has been brought to the implementation mode. I am very happy that it is now being implemented. Our strategy has been to gain fiscal space, so that we could begin development work.

Secondly, we have been given a relief from debt servicing by the re-scheduling of debt by the Paris Club.

Thirdly, we now have money in our hands. All donor agencies now have confidence in us. We have been given the PRG facility. All donor agencies are lending us money and our own foreign exchange reserves have increased, as I have told you.

Now that we have the money we have to utilize it on development projects, which can give quick returns. We need such returns in four to five years, which is more than our debt servicing liability. This strategy, too, by the Grace of God, is moving successfully. The projects we have launched are, Gomal Zam Dam, Mirani Dam, Gwadar Port, Coastal Highway, Rainie Canal, RBOD, Kachi Canal project, raising of Mangla Dam. All these projects including Motorways are aimed at giving us quick returns.

By the Grace of God, our strategy of getting out of the debt trap and regaining national sovereignty and honour and dignity is fully into its implementation phase. This we have achieved as a result of our macroeconomic reforms.

Coming to good governance. It is our second area of focus after economic revival. I will not go into details but touch upon some aspects because many questions are asked.

As far as the law and order is concerned, I would like to say that there is no quick fix, short cut solutions. We are now trying to tackle the root cause of the poor law and order. I would like to briefly inform about the steps we are taking. We have taken steps to prevent internal violence. We have taken actions against external extremism, and the atmosphere of sectarian intolerance. I would not like to repeat them but I would like to emphasize the concrete actions that the government intends to take.

First of all, in order to improve the law and order, so that there is no incident, you need to pre-empt the incident. How can you pre-empt? We can do that if our intelligence organizations have the capability to penetrate into organisations that indulge in violence. Therefore, our first task is to effectively train and equip our intelligence organizations. We are doing that. We are establishing a counter terrorism organization throughout the country. When it is established, it will be given good training and equipment. Our endeavour, therefore, is to control extremism through infiltration.

Secondly, we have to improve conditions of our law enforcement agencies so that they can perform their duties in a better manner. How we are going to do that? We have to improve the police and the rangers so that they can act as deterrence against those who intend to indulge in acts of extremism. In this respect, I am happy to say that this government has replaced the 140 year old Police Ordinance of 1861 with the Police Ordinance of 2002. We have divided policing into three separate wings, i.e., watch and ward wing, investigation wing and prosecution wing. This step will make a lot of difference. The watch and ward wing, consisting of the main police force, is being equipped on modern lines. At present, they have neither transport, nor communication facility, not even good accommodation. How can you expect good performance from them? We are now providing these things. We have provided those funds and we are also getting assistance from abroad for their equipment and training. Their induction into service is being done as per criteria and on merit, not like in the past. Their training has been entirely rehashed. And finally, we are also looking into the quality of their equipment and improving them.

Thirdly, investigation. Presently, we do not reach out to the culprits whenever any crime takes place because our investigation system is outmoded. We are developing the system. We should have investigative resources i.e. laboratories, expertise, and trained manpower so that we can reach out and apprehend the culprit. We have received a lot of assistance in this field. I have asked for assistance from abroad. By the Grace of God, we are making improvements.

And lastly, the judiciary. I am glad that the Chief Justice of Pakistan and the Chief Justices of the High Courts are making efforts to bring about internal improvements so that the judiciary, anti-terrorist courts and other courts can perform their duties in a better manner. I would like to say that law and order cannot be improved through cosmetic means i.e. by reshuffling some IGs and SPs. I am going into the root causes. We are improving police, improving investigation agencies. God willing, there will be improvement in law and order with the passage of time. I am fully confident that this is the only course and there is no short cut.

In good governance, I would like to come to education. I will not go into details. Human resource development, in the long-term objectives of Pakistan, is one of our top priorities. We cannot progress unless we improve the quality of education. We are a developing nation and could not become a progressive, dynamic, developing nation. So, education is the root of improvement of the Pakistani society. What are we doing in this regard? We have addressed the education sector in its entirety. Now first of all, no government looked into the problems of the Madrassah system. We have formulated a Madrassah strategy. I will not go into its details. Through the strategy, we have advised them about the subjects they should include in their curriculum. And we will provide them with resources. We want to regulate their functioning like other educational institutions at the primary and secondary level. We want to improve our literacy level. We want to bring about a qualitative improvement in our education. We are improving our syllabus and curriculum. We are improving our educational system and system of teachers training as well.

We are introducing a technical scheme in Pakistan. This is being addressed at the primary and secondary level and then we have addressed higher education level as well. You will be glad to know that I have approved an improvement strategy for higher education. I have formed a steering committee for its implementation which will be supervised by Shams Qasim Lakha and the other eminent scholars being its members .I am very pleased with the presentation they have made. I have approved the strategy to bring improvement in higher education.

In the field of higher education, science and technology is our main focus. I have formulated a Higher Education Commission and I will appoint Dr Atta-ur-Rehman as its Chairman. It

will have its own mandate. We want to address this area which has been ignored in the past. We only produce about a dozen or so PhDs in the science subjects whereas other countries produce thousands. This is the miserable state of affair of this sector. We have initiated action and in the next three to four years, we will produce around 400 PhDs in science subjects. Our target is to produce 500 PhDs in science subjects every year.

Professor Atta-ur-Rehman has thoroughly studied it and has presented his views. We are trying to link the industry with higher education of science and technology in colleges to develop this linkage. So we have a comprehensive plan in the field of education dealing with every facet. We have created a human development forum headed by Dr. Nasim Ashraf. I am its Patron-in-Chief. We have created a Human Development Trust Fund having many eminent trustees. I will be its patron. It will be very transparent. I am requesting all Pakistanis to donate funds for this trust. In future, we will publicize it immensely. It will address the grass-root level education. This is our achievement in the field of education.

We have made a lot of achievements in the health sector as well. I would like to say that we are concentrating on primary and secondary level health care.

Besides this, in the last, as for good governance, I would like to inform you about the condition of the public sector corporations. They were incurring losses worth billions of rupees. First of all, I would like to tell you about their position as it stood in 1999 and 2000. You will be glad to know that railway, that was incurring loss in billions, is no more in loss. PTA was at the brink of bankruptcy and we did not know what to do with it. You will be glad that it has started earning profit this year. I hope it will earn a profit of 2.5 billion rupees this year. We are planning to acquire new aircrafts. Steel Mills was also at the verge of collapse. This too is now earning profit. I have been told it has repaid its debt worth 2.5 billion rupees. Take the example of WAPDA. This too was about to collapse threatening to sink the country as well. When we took over, its annual revenues were 92 billion rupees, which have now soared to 175 billion rupees. Their electricity line losses have come down from 42 to 25 percent. In addition, we have provided 2 million new power connections during three years as compared to only one million during the last 10 years. WAPDA owes its achievement to the Army. This turnaround has been brought about by the army. Efforts are also being made to bring about a turnaround in PIAC. We have initiated a number of steps and God willing, further improvement will soon be visible. These were our achievements in good governance, in the field of education, law and order and improvement in the condition of government corporations.

Now I am coming towards a complicated but very important subject of poverty alleviation. What are our achievements in poverty alleviation and what we intend to do? This is my prime concern. The question of poverty alleviation agitates me. My heart weeps at the plight of the poor but I feel sorry when someone asks me what I have done for the common man. I want to clearly tell you what our plan is. What we have achieved and what we cannot. The question is what to do for the common man, how to alleviate poverty. This always agitates my mind. If it were possible, I would go to every poor man, embrace him and redress his grievances. I want to do this. But the question arises how to redress this problem. To me there are three methods for this and there is no fourth one. Can I provide subsistence to 140 million people of Pakistan? How? That is not possible. I cannot go to every poor person and distribute money out of my pocket. So what is the solution? There are three options; One, to give employment to the poor and jobless. Second, distribute money amongst the poor so that they become self-sufficient. Third, exercise price control so that the poor are not affected. Apart from these three, what else is there that one can do. These are the three things which can be done. Let's take them one by one.

First of all, employment. I realise that employment has to be given to the jobless. Now what has the government done in this regard? What we have done is what no government has ever done before we have to judge where poverty is. First you have to address it in the rural area and this can be done through agriculture and we are addressing the very sector of agriculture to eradicate poverty. I will not go into the details. You know it well.

The other is the urban area, the cities and towns. In these areas poverty exists due to joblessness. How to address it? We thought information technology is the answer as we have the resources and the infrastructure and we are doing a lot to address this issue through information technology.

Thirdly, labour needs jobs. This can be achieved through revival of industry and let us see what we have done? First, we started the Khushal Pakistan Project. Thousands of jobs are being generated by the developmental projects that we are launching which are in addition to the employment in agriculture. We have, so far, spent twenty three billion rupees on the Khushal Pakistan Project and every year are giving billions of rupees to the provinces in this regard. They launch small schemes and projects which result in job generation. I know that there are roughly around five thousand ongoing projects in the country and every year approximately five hundred thousand people would gain employment as a result of these schemes. We have done this; no one did it before us. A number of factories were closed and in order to revive them we established the CIRC organisation. I am happy to note that one hundred and eighty five factories have been revived so far and thousands of jobs have been generated. In addition to this, the development projects which I do not want to repeat, have resulted in jobs for thousands of people as they are going to gain speed, because they are four to five year projects, all eight or nine mega projects that I have enumerated. This is our achievement.

However, I would like to point out over here that this is not enough till such time that we are able to arrest the rapid population growth rate in the country. Past governments have not done this.

Coming over to another aspect, I had said that the poor people must be given money so that they can start their own business. In this regard you know about the Zakat Strategy. Out of Zakat fund two billion rupees have already been released. This year, five billion rupees have been released. There are some problems of distribution which I intend to solve personally so that the process of distribution is speeded up and the poorest of the poor can benefit from these billions that we are giving them and they stand up on their own feet. Had any government done this? Had any government evolved the strategy to go to the people and hand each person upto fifty thousand rupees? We have done this. We have started Khushali Bank, which has spread over thirty districts, and my effort is to further expand it to all the districts of the country. This Bank is providing loan upto thirty thousand rupees to the extremely poor. They utilize the loan and benefit from it. I am hopeful that we shall provide loan upto thirty thousand rupees to one hundred thousand people each year. This is our target and we will achieve it.

I am extremely grateful to His Highness Prince Karim Aga Khan that on my request, he opened a Micro Credit Bank in Pakistan for the benefit of the poor.

Let's take Agriculture Development Bank of Pakistan. Big landlords obtained loans worth billion of rupees from ADBP and did not return them. We took a policy decision that the bank will not give loan beyond one million rupees. Bigger chunk of loans will be reserved for the lower level farmer. I want to present figures to you: the bank provided loans worth twenty billion rupees from July last year to February this year and about three hundred thousand people benefited. I also want to tell you that out of twenty billion rupees, eleven billion rupees in the forms of loans, ranging from fifty five to sixty thousand rupees, were given to the poor farmers. This would mean that these loans were given at the low level and

this is our achievement. ADBP will provide loans worth thirty-two billion rupees to the farmers up to the close of current financial year. This is what we are doing for the poor and people of fewer resources. This is our achievement. We have given major pay increase to the salaried class at a time when we were faced with so many economic problems. Besides, we are providing support prices and base prices in the agricultural sector. I want to tell my farmer brethren that the support price of three hundred rupees for wheat will be maintained. I will try my best to provide to you three hundred rupees as support price for wheat production.

Now, the third element is to provide job to the poor and they should be provided with financial assistance. Another point is to keep prices under control and this is a complicated issue. First, I come to positive aspects. There is no change in the prices of essential items for the poor including flour, ghee, rice and sugar. There is only minimum change in their prices, if any. Over the past three years, there is decrease in prices of one or two essential items but there is some increase in the prices of pulses. Prices of vegetables fluctuate. This is a bit of achievement, if not much. But let us go to the causes and other areas affecting prices.

Oil prices have tremendously increased at world level and this phenomenon is beyond our control. Naturally, it affects fuel prices in the country but still we have been able to control kerosene oil price. There is some increase in the price of kerosene oil but our effort has been to keep the increase to the minimum. We have kept interests of the poor in mind. Take electricity. In 1999, per unit cost was 3.48 rupees and the present cost is 3.60 rupees, showing an increase of twelve paises. Thermal electricity, being produced by IPPs, have to face increased import oil bill. Oil prices have doubled i.e. from five thousand five hundred rupees to ten thousand eight hundred rupees per ton. But the electricity price has increased by twelve paises only. However, those consuming electricity up to fifty units are exempt from such increase. We have done this keeping in view the interest of the poor. Let me explain further how the country came to face this misfortune. I want to tell you the reality: we have been blessed by Allah Almighty with rivers which can be utilized for the production of hydro electricity, two times than our requirements.

Now I would like to narrate to you the injustice, which has been done to this country by previous governments. In 1988, sixty percent of our electricity was hydel; the price per unit of this was 73 paises, while 40% was thermal i.e. from furnace oil. In 1994-95, the then government had a brain wave. Now you can yourself imagine which government I am referring to. Fourteen IPPs were established, all thermal and oil based. This changed the ratio of electricity generation to 70% of thermal electricity and only 30% hydro electricity. Average price of IPP produced unit of electricity came to four rupees and seventy three paises. Compare seventy three paises per hydro electricity unit to four rupees and seventy three paise per unit of thermal electricity. Who did this? I know why these units were established in 1994-95. I will give you a figure to elaborate. If the per unit price of electricity was increased by twenty paises, it made a difference of two billion rupees. The company to which I give a contract and bring it to Pakistan and give it an increase of just twenty paises, would earn an additional two billion rupees and you can imagine how much I would pocket as a result of such a deal. These fourteen companies are the cause of ruin and problems being faced by Pakistan today.

We are now trying to correct the situation, but it cannot be done in two days. Our policy is to change the ratio again i.e. hydro electricity to be the maximum.

Now ten-year projects of WAPDA have been extended to twenty- five years. I am pursuing with the Prime Minister of China Mr.Zhu Rongji for developing Thar Coal, which is also cheap raw material for producing electricity. In addition, we are trying to convert oil-based units to gas. This is a triple strategy. The oil-based units also are a burden as they add one billion

dollars to our oil import bill. This is a double fault. One, cost of electricity is high and secondly, a one billion dollar oil import bill. We want to change to coal, to hydro and to gas, which is not easy. This is a four to five year plan and would be totally completed in ten to fifteen years. But positive indicators would be visible in four to five years. However, despite this major problem, we have not increased the price of electricity for consumers of fifty units or less.

On the subject of gas prices, why have they increased? As I told you, we are converting oil thermal units to gas but foreign firms are not prepared to explore, extract and develop the many gas fields in our country because our tariff structure is not viable for them. They say they cannot invest in the gas sector unless the tariff structure is improved. Therefore, the prices of gas have been increased. However, despite this increase, for those consumers who use up to one hundred units only and are the poor ones, we have not increased the price of gas by a single paisa. Nobody mentions this, Nobody says that gas prices have been increased but not for the poor. Now, who consumes gas? Only 15% of the total population of Pakistan. 85% do not. They live in villages and there is no gas in villages. Meaning thereby where the poor are there is no gas and they have to burn wood or kerosene oil or cow-dung cakes or cut trees to get firewood and eliminate them. You must understand that our gas price is half the price of wood and the poor 85% use expensive kerosene oil, wood, coal and those who are better off — the 15% — are enjoying inexpensive gas. We have taken care of the poor and not increased the price of gas for those who consume one hundred units or less. We are looking after the poor. I am sorry, that I got carried away as these are emotional issues.

Poverty alleviation. We are not making hollow claims. We take counter actions. We are not hypocrites and do not believe in hypocrisy. We do not sit abroad and talk of common man, or bread, cloth and shelter. Purchasing houses in London, Paris, Dubai and establishing businesses over there and talking of the people here. What interest do they have for you or for the welfare of the people when billions of dollars have been carted away by them from the country? We speak truth. We have welfare of the people at heart. We do not raise hollow slogans or indulge in hypocrisy.

My dear countrymen,

I realise we need to do much more. There are two major issues. The first is population growth. We have the highest population growth rate in the world. We need to check our population growth. Those who say it is un-Islamic are wrong. It is not un-Islamic. The second is the revival of economy. We cannot eradicate poverty until the economy improves. I am working in this direction and all our projects are aimed at improving the economy of the country. There is some improvement and once it improves further I will allocate more money for the welfare of the people. I would like to say that we have done a lot to eradicate poverty. Foreign investors are astonished at the measures that we have taken for poverty alleviation. Our strategies are very good. But unfortunately, some people say that we have done nothing. I feel sad and angry at the same time.

Now let me focus on political re-structuring. These four areas have remained under our focus since 1999. As to the political restructure, we decided to adopt a bottoms up approach from the local government to the province and then to the centre. I am of the view that local government system is real democracy and real empowerment of the people of Pakistan. This is empowerment in three areas; political, administrative and financial empowerment. We are also giving funds at the grass-root levels. In addition, for the first time, women have been given 33% representation at the local government level. We are also bringing the empowerment of farmers and labourers. We are bringing the poor people into the Assemblies, and into the decision making process. They will sit as equals with the rich who have been looting them in the past. This is a silent revolution. You would have

heard, read and seen various opinions in this regard. But the local government system is the most important step for Pakistan. We will not allow it to be reversed. It is Pakistan's requirement it is the requirement of the people and it must continue.

Now, we shall come to the provincial level. We are considering holding provincial elections in October. Both Provincial and National elections will be held in October as I have declared again and again. However, some people try to create doubt that perhaps elections will not be held. We want to ensure maximum autonomy at the Provincial level. People say that local government under devolution of power plan has undone provinces. This is wrong. This view is peddled by either those who do not understand it, or those who want to create misgiving in the minds of people.

We have devolved power to the districts and now we are going to devolve power to the provinces. Provinces will get what they need. They will enjoy autonomy as enshrined in the Constitution. We will improve financial position of the provinces. We will provide funds to the provinces in accordance with Provincial Finance Award. We are trying to address the acute financial situation faced by the provinces. We want to ensure that the nation, the provinces and the districts, have smooth functioning under a comprehensive plan by October. This will promote provincial harmony and any apprehensions, God willing, will end. Now let us come to the national level. In my view, it is important to keep democracy on rails. Democracy should never derail. It must take root in Pakistan. It must function. This is what I want. I want to bring real democracy to the country because it is the only way out. I am not trying to deceive nor am I indulging in hypocrisy. Democracy is the only way and I want it. Now the question is that democracy does not have any set rule. Democracy is not a constant factor. I have said this to foreign dignitaries. I said the same thing to the Commonwealth Secretary-General when he came to see me. British model democracy, the democracy in Zimbabwe or any other democracy in the East cannot be introduced in Pakistan.

Democracy has to be adjusted according to environment prevailing in the country, local environment. Democracy in Pakistan should be based on environment in Pakistan. Now what is the environment in Pakistan? I will explain to you my own views in this regard. As I have always said there are four pre-requisites for the functioning of democracy. These prerequisites have been derived from our past political history. We have to cover what has been happening here. We have to negate that. Number one is checks and balances on the power brokers of Pakistan. People are shy of naming power brokers. There have been three power brokers namely President, Prime Minister and Chief of Army Staff.

Now for the first time, for the sake of national interest, checks and balances and continuity of reforms should be institutionalized. That is why we are thinking of setting up the National Security Council. I will not go into details. You will know about its composition. People will be informed when we decide about it as was done in case of local governments.

First, we will make up our own mind and then your views will be invited. The decision will be taken after that in the interest of Pakistan. The idea is not based on any negative point of view. It is not meant to dismiss any government. The foremost objective of National Security Council should be to reinforce the government, to strengthen and to help it do what good it may be doing. You have seen the atmosphere in the Assembly where there was leg pulling so that no government could complete its five year tenure. Efforts were made to demolish the government after a year. This situation will not be allowed to repeat.

The National Security Council will ensure completion of tenure of governments so that the government will focus on development of the nation. The second aim should be checking every one including the Chief of Army Staff, Prime Minister and the President from taking any unbalanced, impulsive action. Now, someone can say that the elected government should be supreme and why the need for an undemocratic Security Council? The problem is

that the elected governments have been indulging in loot and corruption. It destroyed governance. It destroyed economy. Our problem is that those who are voted into power and trusted by the people betrayed that trust. Should there not be check on them. Check must be there. We are thinking on these lines. There are people who say there should be no amendment in the Constitution but no responsible or educated person can say this. The Supreme Court has allowed amendments in the Constitution.

However, amendments are created not only to govern, but also govern well. Authority does not mean that one should indulge in corruption and loot without being challenged. We will not let this happen again. This is not democracy.

Now ladies and gentlemen, the world has changed in the wake of September 11 events. What is our role in this changed world? I am proud to note that we have been able to raise our stature. We have saved the economy. We have preserved the national interest. This is our achievement. Now Pakistan enjoys prestige abroad.

Now, no one is saying that you are a failed state. No one is saying that we should be declared as a terrorist state, a Damocles' sword hanging on our heads every year. I will go forward. I had clearly enunciated in my 12th January speech and I will make a brief mention of it here.

We brought internal stability. Internal stability is important. We will establish the writ of the government and the supremacy of law. For this we will have to eliminate sectarian violence, extremism and internal terrorism. We have to address it. I had mentioned what the government was doing. We are pursuing the same path.

Another factor of internal stability is our national development strategy, which we will have to pursue relentlessly. This is our way forward. Now I come to the more important issue, i.e., political. I would like to talk about our future political course. I am getting involved in politics albeit not directly. I do not need votes in elections. I have no ambition to enter into politics but I am involving myself in politics in the interest of democracy, maturing democracy and consolidating democracy. I want democracy to take firm roots in Pakistan. I want democracy to consolidate and not to derail or fail. I want a constitutional answer to every political crisis. There have been problems, destabilization and political crisis in the past for which there was no constitutional answer. Sometimes some military man comes, sometimes a President dismisses the Prime Minister and sometimes a Prime Minister gets after the Chief Justice. We had turned the entire country into a political wrestling pad. We want to eliminate it. There must be a constitutional answer, an institutionalized method to address such political crises. This is being done in all developed, balanced and matured countries and all other countries where this is not done are dubbed as backward. We want to change this situation.

To my mind there are two issues.

1. What is my personal role? Am I required for Pakistan? Is there any role for me?
2. What should be the environment of the Assembly and the Cabinet in the post-October period? If I have some role in this country, then what should be the environment of the Assembly and the Cabinet? I am not looking at it for my personal interest. I am saying that if I have a role in the post-October Pakistan then I should have the right kind of inter-action with the Prime Minister, the Cabinet and the National Assembly otherwise democracy will stand where it was. They will be after me and I will be after them. Some people say that the 8th amendment should be restored and I should have the authority to dismiss them. This is a childish and immature statement. This should not happen. If then it happens, democracy will derail. We will be standing where we were i.e. at square one. I have said that our programme — economy, governance, poverty alleviation — we have to crown them with a political structure through introducing the essence of

democracy. Only then Pakistan will move forward. Again the question arises what should be my relationship with the Assembly. What should be the environment, which is essential for the future of Pakistan and the future of democracy?

We should look forward in the national interest. I am now addressing those who write articles with an idealistic approach keeping aside realism without deep thought. The two issues are: What should be my role and if I have some role, what is the environment of National Assembly and what it ought to be?

First, my primary requirement is that of Pakistan. Am I needed for Pakistan? I want you, I want the people of Pakistan to tell me whether I am required or not? I want the confidence in me that comes from your trust. I have confidence in myself but when you tell me that you have confidence in me, my confidence and strength would increase. I want your strength, the strength that comes from the people, strength of one hundred and forty million people. The world must know. The whole world and all Pakistanis must know. All those who want to derail or destabilize Pakistan; those people must know that I am not alone: 140 million Pakistanis are behind me. This must be known to all. That is why I have decided to hold a referendum. I will give more details about it. I will come back to it.

My brothers and sisters,

I have talked to you on the two issues agitating my mind. I have told you that my services are for Pakistan and with this in view I am going for the referendum. I will come back to the subject later. Another thing, agitating my mind, is the atmosphere of the Assemblies and the Cabinet and the Prime Minister's relationship with me. If there is a need for me then there is positive response to the first question. I have some expectations from the Assembly and the Cabinet. As I have stated, the Assembly, the Cabinet and the Prime Minister should work in harmony with me to take democracy forward. Not because this is in my personal interest, but because it is in the interest of democracy so that they complete their full term. As I have said, I want to strengthen them with such harmony. Now the question arises what to do to ensure strengthening of the democracy and maturity of the political system. How to transform this into reality?

Ladies and gentlemen,

I have opted for a difficult course. The easiest way, as many people say, would have been to distance myself from politics. There is no need to hold a referendum. Just maintain your moral ascendancy by distancing from politics. Take a back seat and let anything happen to Pakistan. This was the easiest course for me. My image will be enhanced. But is it in the national interest? Think about this. To me it is not in the national interest. There is a conflict in my mind. There is a conflict versus pragmatism because of which we could not bring any social change in three years. We have made some endeavors. Local Governments have been established. I know a lot of changes have come in and there will be more changes with the passage of time. However, it would be unrealistic to think that we have changed the social fabric and that the political environment has changed leading to new faces in the Assemblies and that the environment would become better. We will make our fullest efforts to bring about change in the Assemblies but we should have a complete understanding of the realities on the ground. All of us, specially the intelligentsia, and those who write in the newspaper columns and give ideas, they should have the understanding and consciousness that there is not much change in the social fabric that would ensure that democracy is not derailed in this conflict of idealism vs. pragmatism. I fear that idealistically we will become very clean and pure.

However, if democracy were derailed would it be in the interest of Pakistan? No. Therefore, we have to see the social environment with a pragmatic, futuristic approach. We should not

expect that now angels would return to the Assemblies. Assembly is important and Cabinet is also important and it will be our endeavour that we have a better Assembly and Cabinet. This would be possible only when you vote in the October elections. The government can formulate rules and regulations and facilitate the environment but ultimately it is the people who have to cast their votes and elect their representatives to the Assemblies. We will do our best to minimize the role of money in the election so that better representatives could emerge out of the elections, even if they have fewer resources. We will also try to formulate rules which will result in the automatic pruning of the political candidates. We will continue our endeavors but I request you not to be too idealistic and adopt a pragmatic approach according to our social environment.

My brothers and sisters,

Today, I want to draw a line in politics. On the one side of the line, there are people who want my continuation, they see a need for me and they are in favour of reforms and restructuring. They want continuation of the reforms process and want my continuity in the office. And on the other side of the fence, are those who are against reforms and restructuring. There are also a number of people who are fence-sitters waiting to go to this side or that side of the fence. There is confusion in their minds and I want to remove this uncertainty and confusion. Nawaz Sharif and Benazir Bhutto have no role in Pakistan's politics. This should be clear. The line which I want to draw today for the referendum will also be valid for the October elections and thereafter. Now it is for the fence-sitters to decide. Some people are trying to destabilize. The talk about emissaries and deals is all absurd. I have not made any deal, nor have I sent any emissary to anyone. Leave aside all this talk to those who want to return from abroad and have their eyes fixed on five billion dollars. I want to tell them that they will not be allowed to indulge in loot and plunder all over again. They have no role in the politics of Pakistan.

Let me come back to the issue of referendum. Why have I to adopt this course? I am aware that newspapers are writing critically about it. That being so. Why am I insisting on it? I want to tell you why I am taking this difficult route. There was an easy way out for me just by keeping away from politics. There would be no need for holding of referendum then. But why do I want to hold referendum?

I want to be sure that the entire nation wants the continuity of the reforms and the restructuring that we have introduced. I have explained in detail about the reforms and I would not repeat them. One of the major reforms is the establishment of the Local Government system besides economic revival and achievements in diplomacy. I seek your confidence so that not only I but, also the entire world, is reassured of the continuity of reforms.

Secondly, it will give a boost to my self-confidence and I will have the moral strength that the entire Pakistani nation is with me. Thirdly, there are two kinds of destabilization, one because of fence-sitting in the investment climate and the other because of the political fence-sitters. I am confident that the referendum would be helpful in removing this destabilization in the environment both from investment and political point of view. This will be in the interest of political progress, political stability and the investment environment. Fourthly, once a line is drawn, then the position of those in favour of the agenda of reforms, will be strengthened. I want to strengthen their position because only then real democracy will usher in and there will be a better environment in the National Assembly. Democracy will consolidate and it will be important for the continuity of the reform programme. Referendum will be publicly advantageous for me because it will introduce a stable and mature environment. I know there are several views about referendum. One view is that it is violation of the constitution. I want to tell you that there will be no violation of the constitution. We have consulted legal experts. And the question that will be asked will not

be in violation of the constitution either. I assure you that there will be no violation of the constitution in future as well.

Secondly, some people are talking about election of the President by Nazims as was done in the case of Basic Democrats. This is wrong. I want a vote from you. Thirdly, it is also being said that President Zia ul Haq had asked an irrelevant question. I am neither Zia nor Ayub. I am Musharraf. I will not ask such a question. This was about the referendum. Let me come to its details: It will be held in the first week of May. The Chief Election Commissioner will announce the exact date, but it will not be held later than the 1st week. As for its methodology, I want to tell you that it will be simple and easy. Every citizen above the age of 18 will be eligible to cast his or her vote in the referendum as was done in the case of Local Government Elections. Vote can be cast on production of National Identity Card.

There will be single constituency and the number of polling stations would be increased considerably. There will be about one hundred thousand polling stations to facilitate voting. I have great hopes in the people of Pakistan. I am confident that they will come out in great number for the referendum. You will come forward and cast your vote in favour of my continuity and in support of my agenda of reforms. This is my expectation from you. I hope you will defeat agents of doom harbouring ill will against Pakistan. My well-wishers are asking me why am I taking this great risk. I tell them that I will take the biggest risk if it is in the interest of Pakistan. I am a soldier and never hesitate from taking risks.

I conclude with a verse, which I was given by someone, and I act upon it:

*'Mera Azm itna Bulund Hey Key Puray Sholoun Ka Dar Naheen
Mujhey Khauf Aatish-e-Gul Sey Hei Ke Kaheen Chaman Ko Jala Na Dey''*

*(My fortitude is invincible and I am not afraid of the enemy's fire,
But I fear lest the heat of flowers should burn the garden)*

I and all of you will not, God willing, allow this fire to ignite.

Pakistan Paindabad