

**RESOLUTION ADOPTED BY THE 54TH SESSION OF THE NATIONAL ASSEMBLY
HELD FROM 17TH JUNE TO 27TH JUNE, 1981**

1. SALARY FOR GUPS AND CLERKS

The Finance Secretary informed the House that the benefits of Then-cha from Chunidom formerly received by Gups and their clerks had been stopped since the past few years. The introduction of decentralization had however placed additional responsibilities on the Gups (village headman) and their clerks. In view of this it was proposed by the government to fix the salary and allowance of Gups and clerks as follows:-

1. The Gups will be paid a basis pay of Nu. 200/- per month.
2. In addition to their pay, a monthly allowance shall also be paid to them according to the number of Gungs under their respective jurisdiction as follows:-
 - a) Where the number of Gungs are from 151 to 250 a monthly allowance of Nu. 50/-.
 - b) Where the number of Gungs are from 251 to 350, a monthly allowance of Nu. 100/-.
 - c) Where the number of Gungs are from 351 to 450, a monthly allowance of Nu. 150/-.
 - d) Where the number of Gungs are from 451 to 550, a monthly allowance of Nu. 200/-.
 - e) Where the number of Gungs are 551 and above, a monthly allowance of Nu. 250/
3. An annual increment of Nu.30/- will be paid to the Gups subject to their rendering satisfactory service as recommended by the Dzongdag concerned.
4. The clerks of Gups shall be paid a monthly pay according to the number of Gungs in their block as follows :-

- a) Where the Gungs number upto 150, a salary of Nu.100/- per month.
 - b) Where the Gungs number from 151 to 250, a salary of Nu.125/- per month.
 - c) Where the Gungs number from 251 to 550, a salary of Nu.150/- per month.
 - d) Where the Gungs number 551 and above, a salary of Nu. 200/- per month.
5. The travelling allowance payable to Gups as passed under resolution 31 of the 50th session of the National Assembly from Nu.200/- to Nu.300/- depending upon the distance from the Dzongs concerned shall remain in effect and will not be affected by the payment of pay or allowances.

At present, the Gups are sanctioned Nu.50/- per annum towards stationeries, but some Gups have reported that this amount is not sufficient to cover the cost of stationeries. On this, the Finance Secretary proposed that instead of the Gups drawing this allowance, they could obtain their requirements of stationery from the concerned Dzongdags office.

6. Some member raised the point that even Chipon Goms should be given some facilities. On this issue, His Majesty the King was pleased to command that at present the government were examining the necessity for keeping Chipon Goms, and if it was felt necessary to continue this practice then due consideration would be given to providing facilities for them.

The Assembly endorsed the proposal made by the government and resolved that the proposals should come into effect from 1st April, 1982.

2. MATTERS RELATING TO INCLUSION OF PEOPLE'S REPRESENTATIVE UNDER THE BHUTAN CIVIL SERVICE RULES

The member from Sibsoo proposed that members of the National Assembly and Gups should be covered by the Bhutan Civil Service Rules in the same manner as the People's Representatives in the High Court and the Royal Advisory Council.

In this regard, His Majesty the King was pleased to comment that the Bhutan Civil Service Rules are applicable to permanent government employees only. If the coverage of the Rules were extended to National Assembly Members, they would cease to represent the general public. Further, such a system did not exist in any other country and its introduction here would create problems. Therefore, it would be better to exclude National Assembly members from the coverage of the Bhutan Civil Service Rules.

3. REGARDING DRAFTING OF RULES AND REGULATIONS FOR GUPS

The Assembly noted that at present there were no rules and regulations relating to the selection of Gups and that their nominations were made under government supervision. This practice had given rise to difficulties and confusion in the actual process of nominations of Gups in the villages.

The Assembly resolved that the Government prepare and circulate a draft of rules relating to gups after deciding upon the manner in which gups should be chosen in future. The draft rules should lay down the qualifications required of Gups and the functions to be performed by them. The Assembly further resolved that the tenure of office of Gups should be extended from 3 to 5 years in keeping with the duration of the Five Year Plans.

4. LIFE INSURANCE SCHEME FOR THE PUBLIC

In accordance with resolution 44 of the 53rd session of the National Assembly, the Finance Secretary informed the House that the government had decided to go ahead with the Life Insurance Scheme for the public. The scheme would provide for a life insurance policy of Nu.1,500/- on payment of an annual premium of Nu.10/-. This scheme would be of financial loss to the government as it was oriented towards social welfare.

The Assembly endorsed the decision of the government and resolved that the scheme would come into effect from 1st January, 1982.

Following debate on the proposal made by a few members from southern Bhutan that the Life Insurance Scheme should not be made compulsory for everyone, it was resolved by the Assembly that Gelongs, Government employees, petty traders, businessmen, and other persons above the age of eight years were free to participate in the scheme. However, exemption from this scheme will be made for districts as a whole.

The Assembly further resolved that the Finance Secretary and Home Minister together with the Dzongdags will draft a suitable procedure.

5. MATTERS RELATING TO TAXES

The Finance Secretary informed the House that in accordance with the command given by His Majesty the King, a few changes had been made and selective exemptions granted in respects of certain taxes as follows:-

1. In accordance with the policy of the Animal Husbandry Department to encourage qualitative improvement rather than quantitative improvement of domestic livestock, the prevailing exemption given to a joint family upto five cattle will now increased to 10 cattle, but for cattle numbering from 11 upto 30 the existing tax will remain unchanged, and for cattle numbering 31 and above, an increase of Nu. 1/- per head will be levied.
2. Since there is great demand for wool in our country and in keeping with the policy of the Animal Husbandry Department to increase the stock of good quality sheep, the government has decided to exempt all taxes on sheep.
3. The prevailing tax on horses, mules and goats remain unchanged.
4. For the benefit of those villagers who have to farm on poor soil where only one crop can be produced in a year, all taxes on such lands shall be exempted.
5. Tax on shifting cultivation will remain the same, as the government would like to discourage this practices and decrease it from year to year.
6. Since the maintenance of the irrigation channels will now be undertaken by those villagers who derive benefit from them, the tax on them has been repealed and no tax shall be levied henceforth on such irrigation channels.
7. With the introduction of the decentralization policy from the the Fifth Five Year Plan, the revenue derived from the districts will be kept with the respective districts for their expenditure, and not be remitted to the Ministry of Finance.

The Assembly resolved that the above tax changes and exemptions will come into effect from 1st January, 1982.

6. STRICTER PENALTY FOR THEFT OF ANTIQUES

The Hon'ble Minister stated that it has been our tradition to properly maintain our Lhakhangs, Chortens and Monasteries. However, of late there has been increasing number of thefts of antiques from Lhakhangs, Chorten and Monasteries. He proposed therefore that heavier punishment be prescribed for such crimes and now arrangements to be made to protect Lhakhangs and Monasteries.

His Majesty the King was pleased to point out that most of the Lhakhangs and Monasteries were located in the villages and that thefts of antiques were being committed not by armed dacoits but by ordinary thieves. These thefts were made possible primarily due to the absence of Kunyers. Therefore, monasteries should be protected by the local people themselves and a Kunyer appointed who was physically capable of attending to his duties at all times. As regards punishment for such crimes, His Majesty was in favour of making the punishment as heavy as possible.

The Assembly endorsed the above views and recommended that the Ministry of Home Affairs impose heavy penalties to curb such crimes and, further, that the village Lhakhangs and Monasteries should be protected by the local residents while government listed Lhakhangs and Gyongkhangs should be looked after by the Central Monk Body and the District Monk Bodies.

7. WOMEN IN POLICE FORCE

The Member from Chengmari proposed that women should be recruited for the police force because crimes are also committed by women, and it would be convenient to have women police in searching and escorting women criminals.

The Hon'ble Home Ministry agreed that it would be advantageous to have women police and the government had no objections to women joining the police force. The Hon'ble Home Ministry however, expressed some doubts as to whether women would volunteer to join the police force because the work of the police was considered strenuous even by the men. In any case the government would certainly give consideration to accepting women volunteers in the police force.

8. FOREIGN LABOUR IN VILLAGES FOR COLLECTION OF RESIN

The Member from Metsho and Jhare of Kurteo requested information on the reasons for permitting employment of foreign labour in villages to collect resin contrary to the national policy.

The Officer on Special Duty, Department of Registration explained that collection of resin was one of the profitable industries for the country. Our own labour force was insufficient to meet the demands of the industry. Therefore, permission had been given to recruit a limited number of foreign labour on a temporary basis and in accordance with rules and regulations laid down for the purpose.

The Assembly resolved that employment of foreign labour should be kept under control and that the rules and regulations for recruitment of foreign labour should be strictly adhered to.

9. DISTRIBUTION OF LAW BOOKS

The Member from Bardo Shemgang requested for distribution of the Inheritance Act during the current session. The member from Sibsoo requested for distribution of the revised Citizenship Act during the current session and further asked that both Dzongkha and Nepali versions of the Law Books should be made available simultaneously.

The Chairman of the Royal Advisory Council informed the House that the Law Committee had completed the Inheritance Act in Dzongkha but the Nepali version was still incomplete. As regards the revised draft of the Citizenship Act, the Chairman informed the House that the draft had been submitted to the Lhengye Shungtshog for discussion and it would not be possible to distribute the draft of the Act during the current session.

His Majesty the King was pleased to suggest that as the Lhengye Shungtshog did not have time to discuss the two Acts, the matter be postponed to the next session.

The National Assembly accepted the suggestion made by His Majesty the King.

10. REGARDING MORTGAGE OF ANCESTRAL HOUSE AND LAND

The Member from Tewang and Bjimey of Thimphu proposed that the existing property law be amended to permit the mortgage of ancestral house and land by the poorer class of people in the village who had no other means of securing loans from the Bank.

In response, the Finance Secretary said that if the present prohibition on mortgage of ancestral house and land was removed, the people from the villages may not be able to redeem their houses and land once it was mortgaged. The inevitable fore closure of such mortgages by the Bank would create hardship for the village people. Therefore, it would be advisable to retain the prohibition on mortgage of ancestral house and land.

The majority of the members of the house agreed with the proposal made by the Finance Secretary and the Assembly resolved that the present prohibition on mortgage of ancestral house and land be retained.

11. PRODUCTION OF SURETIES DURING PROCEEDING OF COURT CASE

The members from Mewang, Gyene and Dagala of Thimphu proposed that the present practice of requiring sureties to be produced in court during the proceedings of a case should be abolished to ease hardship on poor people.

The Representative of the High Court replied that the sureties are not required to be produced in court in each and every case. The presence of sureties in court proceedings depends upon the circumstances attendant on each case, for example the degree of seriousness of the case, the character and background of the persons involved and so forth. As regards summoning of witnesses, the Representative of the High Court explained that this was required in the interests of justice.

His Majesty the King was pleased to command that the High Court and the Royal Advisory Council review the practice of summoning sureties and witnesses and submit a report to the next session.

The Assembly accepted the command given by His Majesty the King.

12. REGARDING ANONYMOUS LETTERS OF COMPLAINT

The member from Thangrong of Mongar referred to resolution 9 of the 43rd session and said that no action should be taken by the government on anonymous letters of complaint.

The Hon'ble Home Minister agreed that in principle anonymous letters of complaint should not be accepted. However, he pointed out that in certain instances, such letters may contain matters of importance to individuals, or to the public or even the country as a whole, and in such instances it may be expedient to carry out investigations.

The majority of the members of the House disagreed with the views expressed by the Hon'ble Home Minister and were in favour of the previous resolution wherein it had been decided that no cognizance should be taken of anonymous letters of complaint.

His Majesty the King also expressed the view that the government would be inconvenienced by accepting anonymous letters of complaint and advised that the previous resolution 9 of the 43rd session should stand.

The Assembly resolved that anonymous letters of complaints, whatever their contents, should not be accepted.

13. MATTERS RELATING TO THE MILITARY

The Member from Chang, Thimphu, stated that the yearly progress of our army was commendable. It was quite usual he said for a country to seek foreign financial aid and equipment for the army, but it was not advisable to have foreign army personnel serving in our country. He observed that the already sizeable IMTRAT contingent in Thimphu was increasing every year and wished to know the reasons for their presence in the capital. He felt that they should be stationed away from the capital, and if this was not possible to locations outside the town area, perhaps within the Royal Bhutan Army area or the Indian Embassy complex.

In reply, the Major-General of the Royal Bhutan Army said that excepting a few army instructors from India, there were no other foreign army personnel in Bhutan and that it was imperative to have instructors from India to improve the quality of training of our army. The Major-General continued that there were only two training centers within the country which made it necessary to send our army personnel for training to India, and furthermore it was also necessary to have the IMTRAT stationed in Thimphu to facilitate liaison activities with

the government of India for procurement of rations, clothings, arms, transport, and for training our army.

As regards stationing of IMTRAT in the town, the Major-General agreed that it would have been proper to station IMTRAT within the army cantonment area. However, it was a well-known fact that the army itself was facing acute shortage of space. Besides, the IMTRAT were running the Indo-Bhutan Friendship Hospital in the town for the benefit of the public, and it was therefore a matter of convenience to all that IMTRAT should be stationed in the town. Finally, he pointed out that IMTRAT had been stationed here because of the strong and abiding friendship between Bhutan and India.

His Majesty the King was pleased to comment that, firstly our army was following a policy of becoming self-reliant. Secondly, our army was volunteering for developmental works as far as possible and at present had constructed an irrigation canal at Lapchakha, Punakha, for irrigating 2000 acres which the government would be allotting to landless people and personnel from the army. In addition, our army had recently completed the protection works of the Pho-chu river at Punakha. Furthermore, the army was considering taking up the renovation of the Wangdiphodrang and Tongsa Dzongs and a major irrigation project in Gaylegphug.

14. ARMY RECRUITMENT FROM VILLAGES

The member from Dechenling, Dungsum, proposed that recruitment for the army should be done by the army representatives sent from army headquarters without involving the local gups or members.

In response, the Major-General of the Royal Bhutan Army explained that as desired by His Majesty the King, recruitment in the army was being decreased every year keeping in view the welfare and the problem of the villages concerned. Therefore, the recruiting personnel from the army had to seek help from the local gups and members, as well as the Dzongdags to recruit persons without causing inconvenience to the villages concerned. He felt that the present system of recruitment should be retained.

The matter was discussed in the Assembly and His Majesty the King was pleased to command that at the conclusion of the current session, the Major-General and the Dzongdags

should hold a meeting to devise a system for army recruitment without inconveniencing the village people.

The Assembly accepted the command given by His Majesty the King.

15. ESTABLISHMENT OF RADIO BROADCASTING STATION IN BHUTAN

The member of Sibsoo requesting to be informed about the steps taken by the government for setting up a radio broadcasting station in the country during the Fifth Five Year Plan as discussed in the previous session.

In response, the Secretary, Ministry of Communications and Tourism explained that the government was arranging to establish a radio station, but it was finding it difficult because of the shortage of trained personnel and funds. However, a radio broadcasting station was an important project and it was hoped to establish one within the Fifth Five Year Plan.

On this issue, His Majesty the King was pleased to comment that although setting up of a broadcasting station was important for our country, this issue had not been discussed during the recent Royal visit to India as more important issues like the civil airlines and the northern border demarcation had to be settled. The government of India had however, expressed their willingness to help Bhutan in setting up a radio broadcasting station. His Majesty informed the Assembly that if everything goes according to our expectations a radio broadcasting station would be established within the Fifth Five Year Plan. His Majesty the King was pleased to command that the Foreign Minister and Minister of communications and tourism should finalize the matter with the Indian Embassy in Thimphu.

The Assembly recommended that the Government should endeavour to set up a radio broadcasting station within the Fifth Five Year Plan.

16. IMPARTING TRAINING AT AGRICULTURAL DEMONSTRATION FARMS

The members from Chengmari proposed that women should also be given opportunity to be trained in agriculture by the government as agriculture played an important part in building-up the nation.

In response, the Director of Agriculture explained that the government had given due importance to agriculture, and demonstration farms had been established at Yusipang Thimphu, Bhur Gaylegphug, and Kanglung Tashigang. He said that till now only men had come forward for the training. The Department, however, welcomed the proposal and if any women came forward, the Department was prepared to give them training at the demonstration farms.

17. INTRODUCTION OF TEACHING IN REGIONAL LANGUAGES IN SCHOOLS

The member from Sibsoo stated that he had come to learn that both Dzongkha and Nepali would be taught in all the school and requested to be informed as to when this curriculum would be introduced.

In reply, the Director of Education explained that Dzongkha had been recognized as our national language although there were more than seven or eight regional language in the country. No country in the world had more than one language as the national language. He added that Nepali was spoken in southern Bhutan areas only for which the government had provided sufficient teachers.

He regretted that even if students wished to be taught different regional languages like Nepali and Sarchopkha, it was not possible for the government to provide teachers for teaching regional language owing to inadequacy of funds.

18. REGARDING FACILITIES FOR SCHOOL TEACHERS AND TEACHER TRAINING PROGRAMMES

The member from Sibsoo proposed that the salary and facilities for teachers should be improved. The member from Gaylegphug requested to be informed about the arrangements or programmes that had been made to attract sufficient numbers of our own nationals to the teaching profession.

In response, the Director of Education stated that the standard of a school depends upon the quality of the teaching staff. The Government had given stress to this aspects and inspite of paucity of fund were on encouraging appointment of good teachers. Since, 1978, the salary of the teachers have been raised although there was still a difference of Nu.150/- between the pay of teachers and government employees of equal rank. He added that 300 more teachers

were still required and, therefore, the government was considering providing more facilities for teachers during the Fifth Plan.

Regarding the Teacher Training Programmes, the Director of Education stated that the government had already initiated various plans. In 1968, the Teachers Training Institute at Samchi was established and since then 231 trained teachers have successfully passed out from the institution. During the Fifth Plan period, it was hoped that a further 300 teachers will be trained. A Teachers Training Institute had now been established at Paro and our own trained nationals would be meeting the requirement of primary school teachers throughout the country in the near future.

The Director of Education continued that at present a more important issue was provision of training for high schools. The government had realized the importance of this issue and had acquired aid from the United Nations for setting up a Teachers Training Institute at Samchi for school teachers. The project would be completed in 1982-83 and a training programme would commence thereafter.

19. IRRIGATION PROJECT AT GAYLEGPUG

The member from Gaylegphug stated that although the Gaylegphug irrigation project was planned to irrigate 2000 acres, only 150 acres had been irrigated on the completion of the first phase. He requested to be informed of the reason for this major shortcoming and requested also that the government should investigate the matter.

The Director of Agriculture replied that pursuant to the command of His Majesty the King, an investigation team had already been sent and their findings received.

He explained that the plan had been drawn up to pump 20 cusecs of water which would normally suffice to irrigate 2000 acres circulated at the rate of 1 cusec for every 100 acres. Unfortunately an error in the plan has occurred based on these figures as the soil in Gaylegphug was found to be virgin jungle soil which was very porous and which absorbed water at as much higher rate. The Director stated that the soil at Gaylegphug needed to be improved by the use of fertilizers.

20. DRINKING WATER SUPPLY SCHEMES

The member from Gaylegphug stated that the drinking water scheme as planned by government were not successful, and requested that corrective measures be undertaken by the government.

The Director of the Public Works Department in reply explained that the PWD had completed drinking water scheme in various blocks included not only in the plan but also additional schemes with aid from the UNICEF for the benefit of the general public.

During the ensuing discussion on this point in the Assembly, it was found that the reason for the failure of the drinking water scheme was due to the pipelines not being maintained properly after the PWD had completed the works.

His Majesty the King was pleased to point out that while it was the responsibility of the government to give technical guidance and to provide skilled labour and material, it was the responsibility of the village people who used the water to provide the unskilled labour and to maintain the schemes

The Assembly endorsed the view graciously expressed by His Majesty the King and resolved that the government should provide the technical know-how, materials and the skilled labour for the drinking water schemes, and thereafter the village people concerned should themselves be responsible for the maintenance of the schemes.

21. FACILITIES TO BE PROVIDED FOR DISABLED PERSONS

The member from Chengmari stated that 1981 had been declared the year of the Disabled persons by the United Nations and our Government should accordingly provide some facilities and a vocational training center for the disabled persons in our country.

The Director of Health Service replied that although 1981 had been declared as the Year of the disabled persons, Bhutan was not a member of the World Health Organization, so there was no compulsion on the part of our government to make any special provisions for disabled persons. The government, however, was well aware of the problem and a circular had already been sent to all the Dzongkhags to send a list of the disabled persons within their area. But up till now, reports had been received from only a few of the districts. He added that the government would be able to draw up suitable plans to tackle this problem on receipt of all the reports.

The Director of Health Services also informed the House that a School for the blind had been established for some years now at Khaling, Tashigang, by the Ministry of Trade and Industries. The School had been taken over by the department of Education from this year and necessary improvements would be made.

On this point, some members commented that the majority of the parents and relatives of disabled persons were looking after their disabled relations in their own homes with care and affection, and that they were not prepared to be separated from them. This was the reason why disabled persons were not being sent to the blind school at Khaling. The members, therefore, felt that it did not seem necessary for the government to establish vocational training centers and schools for disabled persons in the country.

His Majesty the King was pleased to comment that a school for the blind already existed at Khaling, Tashigang and further relief measures by the government for disabled persons will be taken up when reports of the number of disabled persons are received from all the districts.

22. CLASSIFICATION OF GUNG

The member from Lamgong, Paro stated that the existing system of classifying Gungs was not satisfactory and proposed that the government should make classification according to the landed property.

In response, the Finance Secretary explained that the existing system was based on the size of the house. If this system is changed now and based on classification on landed property, then problems would arise because insurance is provided according to the size of the house and the government had also been paying compensation accordingly. Complications would, therefore, arise for the villagers if the classification was made according to the size of the landed property.

His Majesty the King was pleased to advise that the district Dzongdags, Gups and Assembly Members should jointly hold meeting (DYT) to discuss in detail the classification of the Gungs keeping in view the inconvenience that may be caused to the general public, and devise a method which would be convenient to both the general public and the government. A report should be submitted to the Home Ministry for consideration by the government.

The Assembly resolved that the classification of Gungs be done as advised by His Majesty the King.

23. RECRUITMENT OF LABOUR FOR DZONGKHAG WORKS

The member from Lamgong, Paro suggested that labour for government works in the districts be provided according to the class of Gung.

On this issue, His Majesty the King was pleased to comment that although in the previous session resolutions had been passed to provide labour according to the class of Gung, this system did not ensure uniformity of providing labour by the public. His Majesty the King, therefore, felt that this system should be abolished and a new system of Chunidom in providing labour for government paid projects be introduced, whereby each year one person be made available from a group of twelve persons. All physically fit persons from 17 years to 55 years should be included in this system. This would ensure uniformity and promote public welfare.

Regarding irrigation channels, bridges, schools and dispensaries, His Majesty the King was pleased to comment that as such projects benefitted the village people directly, the government would not pay wages for the maintenance of these projects. Instead, the village people who benefitted from such projects should volunteer labour (Shapto Lemi) for their maintenance. This would also be in keeping with our policy of self-reliance.

The Assembly unanimously accepted this suggestion made by His Majesty the King, and passed a resolution that the provision for Dzongkhag labour should be made accordingly.

24. GOBAR GAS PLANTS

The member from Gaylegphug proposed that the government should grant assistance for installing gobar gas plants wherever feasible within the country.

In response, the Director of Forests explained that gobar gas plants were more suitable for lower altitudes. He suggested that initiative should be taken by the Department of Power in co-operation with the department of Animal Husbandry and Forests to investigate the feasibility of putting up gobar gas plants. A plan could be drawn up based on such an investigation.

His Majesty the King was pleased to comment that the Department of Power was already investigating the feasibility of putting up gobar gas plants. On completion of a thorough investigation, the government would present a report to the Assembly.

25. MATTERS RELATING TO PASTURE LAND IN SHEMGANG

Some members of Shemgang district stated that almost all the pasture lands in Shemgang were included in the Thram in the name of a few individuals, and those who had no pastures were facing difficulties.

His Majesty the King was pleased to comment that the question of grazing on pasture lands had been thoroughly discussed in the previous session and Act framed accordingly.

His Majesty the King commanded that whenever such problems arise, a meeting should be called among the Dzongdags, Gups, Assembly Members and owner of the pasture concerned. They should then settle the question of grazing rights in accordance with the pasture Act after surveying the pasture land and comparing government records.

On this issue, the Director of Forests said that during the Fifth Five Year Plan period, there were schemes to have fodder tree plantations, and as such in the near future, he felt that there should be no problem related to grazing on pastures. He suggested that pastures should be used according to the existing Pasture Land Act.

The Assembly then passed a resolution that the utilization of pastures should be in conformity with the Pasture Land Act.

26. PRESERVATION OF FORESTS FIRES

The member from Tsenkhar and Lingye, Kurteo requested for detailing of more forests fire-guards, as the forest were one of the main sources of our national wealth.

In response, the Director of Forests appreciated the awareness of the public in recognizing the forests as one of the main sources of our national wealth and the necessity for its protection. He stated that the government also for its part had laid emphasis on this point but lacked adequate funds to do any-thing concrete. However, there was a standing appeal to the village

people to assume the responsibility of protecting the forests in their area in keeping with our policy of self-reliance and resolutions of the previous session.

The Assembly resolved that additional forests fireguards should be detailed as decided in the previous resolutions of the National Assembly

27. COLLECTION OF FIREWOOD

Some members from Paro suggested that the restriction on collection of firewood be made less stringent. He proposed that reintroduction of the old system.

In reply, the Director of Forests stated that the question of firewood collection had already been resolved in the previous sessions and no problems should arise if the decision were abided by. He reminded the house that during the last sessions he had informed the Assembly that even non-valuable trees could be converted to valuable timber for making plywood. As such, the department of forests had laid down restriction on beeshing (oak) and introduced permit system for its collection. However, there was no restriction on collecting dry wood for firewood and even green trees like athoshing (rhodendron) and khen (taxus) for firewood.

He added, however, that the department of forests was willing to accommodate the requirements of the public for firewood as far as possible whenever the local people put up their grievances through their Dzongdags.

The Assembly agreed with the views expressed by the Director of Forests.

28. MINING PROJECTS

The member from Gaylegphug requested to be informed about the mining projects that are to be undertaken during the Fifth Five Year Plan, and the member from Mongar requested to be informed about the quantity of copper ore sent out of the country for analysis.

On this issue, the Director of Industries and Mines stated that in keeping with the resolutions of the previous session, the Geological Survey of Bhutan had been established in April, 1981.

As regards mining projects, he said that in the country there were many kinds of minerals deposits. During the Fifth Five year Plan, projects already started would be continued like the Pagli Cement Project which is producing 300 tonnes of cement per day, a quantity sufficient

not only to meet our own needs but enough to export to the neighbouring state of India. Dolomite was being extracted from four locations and it was hoped to reach a target of extracting 8 lakhs tonnes per year, and with the discovery of other coal fields, it was hoped that a target of 1,20,000 tonnes of coal per year will be achieved in the near future.

Graphite mining would be started at Bjelaila, Paro limestone at Dala and Gypsum at Shumar. The slate extraction project at Wangdiphodrang would also be enlarged and plans were under consideration to extract talc (soap-stone) from Samchi Sub-Division.

Referring to the Gong Khola Copper Deposits, the Director explained that a project in Gong Khola would require very large supply of electrical power and substantial investment in capital equipment. It had therefore been decided to carry out the investigation work but to hold back on the actual exploitation.

In this connection, the Hon'ble Foreign Minister suggested that it would be more advantageous to gradually undertake the bigger mining projects when we have our own capital, manpower and expertise. He also informed the house that the results of the analysis of the copper ore sent from Gong Khola project showed that from every hundred kilogrammes of copper ore, a maximum of only two kilograms of pure copper could be extracted.

The Assembly appreciated the step taken by the government in establishing the Geological Survey of Bhutan pursuant to the resolution adopted in the previous session.

The Assembly resolved that there should be no haste in initiating major projects, but the government should go ahead with easier and more profitable exploitation projects.

29. SALE OF CASH CROPS

The members from Mewang, Gyene and Dagala, Thimphu requested that government should arrange for marketing locations at places other than Phuntsholing to sell their cash crops, or alternatively the Food Corporation should purchase crops from the public without prescribing limits.

In response, the Director of Trade and Commerce explained that attempts were being made to find markets in foreign countries where higher prices could be obtained, but substantial quantities were required for export. Furthermore, storage facilities had to be provided for

which the government had sought help from the United Nations Capital Development Fund (UNCDF). As soon as necessary arrangements were completed, export would be started.

The Director of Trade and Commerce added that the Food Corporation of Bhutan was purchasing the available cash crops produced by the public as resolved in the previous sessions. There was no objection on the part of the Food Corporation if the public disposed of their cash crops in markets where they could get higher prices than that offered by the Food Corporation. Where the cash crops could not be sold in the markets the Food Corporation would buy the crops at fixed rates without laying down any limits.

The Assembly resolved that until export arrangements were finalized, cash crops should be sold to the Food Corporation according to the existing procedure.

30. AID TO SMALL BUSINESS

The member representing the Business Community requested to be informed as to when the small business entrepreneurs could obtain aid from the UNCDF as discussed in the previous sessions.

In reply the Director of Trade and Commerce said that as resolved by the 51st session of the National Assembly, funds had been obtained by the government from the UNCDF to assist small business entrepreneurs and five other important public projects. However, our request for funds had not been met in full and funds only sufficient to finance five public projects had been obtained. The government was, therefore, trying to find other sources of aid to finance small business entrepreneurs.

31. MATTERS RELATING TO MINISTRY OF FOREIGN AFFAIRS

The Ministry of Foreign Affairs presented its annual report to the National Assembly for the year 1980-81.

The Hon'ble Foreign Minister informed the House that pursuant to the discussion in the previous session on establishing a national civil airline, agreement had now been reached for schedule international flights to be operated between Paro and Calcutta by the Druk-Air Corporation. The Corporation had already been established a scheduled flight and would begin operating as soon as two aircrafts were purchased.

Regarding demarcation of the border between Bhutan and China, The Hon'ble Foreign Minister said that the Government had decided to hold direct bilateral border talks with the government of the Peoples' Republic of China in the near future.

The Hon'ble Foreign Minister referred to the question of the Tibetan refugees and informed the House that the government of India had agreed to accept 1,500 refugees from those who were not willing to accept Bhutanese Citizenship. Till date 749 refugees had been sent to India and the remaining 751 would be sent by the end of the year.

Finally, the Hon'ble Foreign Minister informed the House that the Government intended to become a member of the International Monetary Fund (IMF) the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) and requested the Assembly for its approval.

The members of the Assembly stated that the issues of demarcating our northern border which was vital to our security, and the establishment of a national airline, had been given much importance in the past Assembly debates, and in the current session they wished to place on record their appreciation for the positive action taken by the Foreign Ministry on these issues.

The Assembly approved Bhutan seeking membership of the IMF, IBRD and the IDA, and unanimously passed the International Financial Institutions Act No. 1.

32. MATTERS RELATING TO WATER CHANNELS FROM SOUTHERN BHUTAN AREAS TO NEARBY INDIAN VILLAGES

The members from Shingkhari, Shemgang, referred to the discussions held in the last session regarding the matter of water channels from areas in southern Bhutan to nearby villages in India which were causing damage to our lands, and requested to be informed about the action taken by the Government in the matters.

In response, the Foreign Secretary said that as resolved in the last session, a joint investigation had been carried out by the Ministries of Home Affairs and Foreign Affairs. It was found that a total of 16 such water channels existed along the southern border area from east to west. Some of them had been constructed without executing any prior agreement and

on payment of a nominal royalty only. Several of these channels had caused damage to our forests and farm lands.

On this issue, His Majesty the King was pleased to command that the Ministries of Home and Foreign Affairs should undertake further joint investigation and ascertain if water from such channels were required by our village people. Where the water was not so required, and there was no danger of damage being caused to our lands, water could be taken by the neighbouring villages in India on executing proper agreements safeguarding our rights.

The Assembly resolved that a joint investigation should be undertaken by the two ministries as commanded by His Majesty the King.

33. PRESENTATION OF LIVES-STOCK ACT AND BY-LAWS

The Director of Animal Husbandry presented copies of the livestock Act and By-laws to the Assembly for approval.

The Assembly passed the Act and By-laws and directed that matters relating to livestock in the country should be carried out in conformity with the provisions of the said Act.

34. AMENDMENT OF THE 48TH RESOLUTION OF THE 53RD SESSION

It had been resolved through Resolution 48th of the 53rd session to seek aid from the International Fund for Agriculture Development for the construction of embankments on the Paro Chu and Dobchu.

The Director of Agriculture informed the House that the embankment works would be taken up by the UNDP instead.

35. FIFTH FIVE YEAR PLAN FOR EIGHT DISTRICTS

The Planning Commission presented before the house the Fifth Five Year Plan compiled for the districts of Wangdiphodrang, Tongsa, Chirang, Gaylegphug, Pema Gatsel, Tashigang, Mongar and Lhuntshi. Detailed presentations were made by the Directorates of Education, Animal Husbandry, Agriculture, Forests, Health Service, Industries and Mines, Public Works Department, Food Corporation and Power, of the projects contained in the district plans.

The Assembly passed a resolution approving these plans.

His Majesty the King was pleased to address the National Assembly (attached) on the district plans emphasizing the importance of the decentralization policy in making our country self-reliant.

The National Assembly endorsing the views expressed in the address graciously given by His Majesty the King resolved that the Government departments, the local people and the Dzong authorities concerned should undertake these plans keeping in mind the following five principles :-

1. Self-reliance
2. Decentralization of Districts
3. Trimming of establishment cost
4. Increase of national revenue
5. People's participation in implementing the district plans.

In conclusion, the Deputy Minister of Planning said that it was encouraging to receive the approval of the Assembly for the Fifth Plan. He stated that the success of the district plans would depend on the extent of co-operation received from the people in the villages. He requested the members to find out from their respective villages the extent of co-operation and participation to be expected from the people in implementing these plans. The matter should be reported in detail to the next session of the National Assembly.

Dt. 27th June, 1981.

Sd/-
(Lyonpo T. Jagar)
National Assembly of Bhutan

**STATEMENT OF HIS MAJESTY THE KING BEFORE THE PRESENTATION OF
5TH PLANS OF DISTRICTS DURING THE 54TH SESSION OF THE NATIONAL
ASSEMBLY ON JUNE 23, 1981.**

Addressing the House, His Majesty said that we are all aware that during the past four plans, only one national plan had been prepared and implemented by the central directorates in all Dzongkhags. No single Dzongkhag had its own plans and programmes. However, for the Fifth Plan detailed plans and programmes have been made for each Dzongkhag. His Majesty informed the house that this new approach to planning is primarily geared towards achieving the five broad objectives laid down for the Fifth Plan.

The First objectives is to take effective steps towards Dzongkhag self-reliance. This involves presentation of detailed Dzongkhag plans taking into account their specific characteristics, needs and priorities and also take advantage of the different resources endowment of the Dzongkhag and gear them towards self-reliant development.

The second objective is to decentralize development effort to the Dzongkhag level. In the past the development efforts even at the Dzongkhag level was implemented by central directorates. However, during the Fifth plan under the concept of decentralization, development efforts at the Dzongkhag level will be brought under the administrative control of the Dzongdags. They will be entrusted with the responsibility of all development works in their Dzongkhag. This would require the strengthening of the Dzongkhag administrations with the most able and experienced officers from the various central directorates and if necessary even from the armed forces.

With the strengthening of the Dzongkhag Administration and the Dzongkhag Plans geared towards self-reliance, it is expected that by the end of the Fifth Plan, five to six Dzongkhag would become self-reliant. While this may appear to be a minor accomplishment, it would infact, be a major achievement, because today there is not a single Dzongkhag which can even meet half of the expenditure from its own resources.

The third objective during the Fifth Plan will be to reduce the growth of the Royal Government's increasing establishment and maintenance costs. It is necessary to not only contain the already high establishment and maintenance costs, but also to bring establishment expenditure more in line with the Royal Government's resources. If we consider the Fourth Plan as an example, the Royal Government has spent more than Nu. 200 crores during the plan

period out of which Nu. 64 crores was spend on establishment and maintenance. The total netted internal revenue for the same period was only Nu. 19 crores. The figure clearly indicate that if the Royal Government was to rely solely on its own resources, leaving aside starting new projects and programmes, the Royal Government was not in a position to even maintain the existing facilities such as schools, hospitals, roads and other services.

A forecast of financial requirements for the Fifth Plan indicated that the establishment and maintenance expenditure would arise from the present level of Nu.64 crores to Nu. 144 crores. This high increase caused such concern in the Royal Government and immediately a reduction of Nu.29.14 crores was imposed, bringing the estimate of establishment and maintenance cost in the Fifth Plan to Nu.114.86 crores. The possibility of further reducing and trimming the establishment and maintenance costs is still being considered. His Majesty said that he would inform the House in detail during the next session as to how further reduction of establishment and maintenance costs could be made.

There was some concern that the reduction and trimming of establishment and maintenance cost would effect development adversely. However, His Majesty said that as the reduction and trimming of establishment of maintenance costs are mainly related to government expenditure and not development works, and reduction of government expenditure would not harm development progress, but instead contribute positively in achieving the Royal Government's objectives, as the amounts reduced from government expenditure would be available for development works. The effect would be similar to raising resources.

The fourth objective is to increase the government's revenue and resources as much as possible. This would require increasing revenue generating activities in the minerals, forests and industries sectors. It was hoped that during the Fifth Plan the internal resources would rise sufficiently to meet the establishment and maintenance costs of all the services provided by the Royal Government. However, considering the difficulties of raising the internal resources to cover the entire establishment and maintenance costs of the Royal Government, it has been decided that by the end of the Fifth Plan, at least the establishment and maintenance costs of essential sectors such as roads, telecommunications, health services, education, police and Dzongkhag Administration must be met from the country's internal resources.

Both the tasks of reducing and trimming establishment and maintenance costs, and increasing of internal resources are difficult. Nevertheless, His Majesty informed the House that substantial progress has been made towards these objectives.

The Fifth and the most important objective of the Fifth Plan is to further encourage the participation of the people in the development activities and programmes. His Majesty emphasized that the people and the Royal Government must work hand in hand in the development of the country. It may be recalled that in the past it was popularly believed that the people supported the well-being of the Royal Government, but today the government is looking after the welfare of the people more than even what parents would do for welfare of their children. It must be remembered that all the Royal Government's activities have been initiated and are being undertaken only to help improve the welfare of the people and development of the country. The people must not only recognize this fact, but also show gratitude and appreciation by working hand in hand with the Royal Government and contribute in ensuring the success of all development programmes.

While it is true that there will be many difficulties facing us, it is imperative that the above five objectives must be achieved. The Royal Government is determined that the stated objectives must be fulfilled and will spare no efforts in doing so. Although the people are already contributing significantly to the development efforts in the country, His Majesty has strong faith that the people will respond to the Royal Government's efforts and will more than ever before work together with the government in ensuring that our objectives and aspirations for the Fifth Plan are fully achieved.

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