



EXCLUSIVE

Girija and Atal

Despite Indian PM Atal Behari Vajpayee's knee problem, he spared 45 minutes to meet once more with Girija Prasad Koirala in New York, most of it one-on-one. Koirala followed up on some of the points agreed upon during his New Delhi visit, such as the impasse over the Special Additional Duty. Even though time was short, sources tell us, the prime minister brought up the problem of providing Kodak Nepal an export certificate. It seems India may look at the issue one more time. Washington, meanwhile, is following the outcome closely.



Donor review

Government officials and donors met last week for one of their regular tete-a-tetes to review progress on reforms promised by Mahesh Acharya in Paris earlier this year. Despite delays in enacting laws there were nods of approval all around, said a government source. The donor version of the same meeting is slightly different. We were told they pointed out that reforms seemed to be happening only at the Finance Ministry and Planning Commission. They were also concerned about the worsening law and order.

Sweden-return

Foreign Minister Chakra Prasad Bastola's visit to Sweden was the first exchange of official visits between the two countries since Nepal's restoration of democracy in 1990. Nepal does not figure in the Swedish Country Programme yet, though some NGOs supported by Swedish aid are active in the country. Officials say Bastola's visit was a politically important contact that could lead to some development support in future.



BINOD BHATTARAI

Foreign investment in Nepal is falling, there have been no major new ventures

since

Colgate, and as if things weren't bad enough, existing investors, fed up with new taxes, deteriorating security and chronic labour problems, want out. Just look at events in the last few weeks:

- Union Carbide India, the first major manufacturing joint venture in Nepal, decides to pull out
- American firms involved with the Bhote Kosi power project put off new investment
- Carlsberg caps its investment level, and threatens to withdraw from Nepal
- The Confederation of Indian Industry (CII) loses interest in its Nepal office
- Enron is re-considering its involvement in the mammoth Karnali hydroelectric project
- Kodak Nepal is still stuck

All this points to a lack of seriousness on the part of successive governments to attract foreign investors: incentives are given and then pulled away, new taxes appear out of nowhere, goalposts are moved all the time, there is new xenophobia in the air, corruption is flourishing, and threats and extortion have become commonplace. It would almost

seem that government is doing everything in its power to dissuade foreign investors.

Says Prabhakar Rana of the Soaltee Group: "Investors come here only if they can make slightly more money than they would in their own countries, they don't come here for the love of the mountains." Soaltee is in partnership with two American companies, Dallas-based Panda Energy and Chicago's Harza Engineering Company International, to build the \$98.5 million Bhote Kosi hydroelectric plant. Recently the government said it would re-negotiate the power purchase agreements (PPA) with foreign investors.

Having spent more than \$1 million in lawyer fees alone, Rana is confident that Bhote Kosi has a watertight PPA, mainly because tinkering with it would

put hefty penalties on the government. The agreement with hydro-producers allows the government to buy out the investors, but only if it tops a 50 percent penalty over the investment amount. "A country which does not follow its own rules and regulations is not ready for investment," Rana told us. He added, "My partners are not interested in new projects because 36 MW has given us enough headaches."

Over at Gorkha Brewery, makers of Carlsberg Beer, workers have just ended a 11-day lockout and went back to work on Monday, but not before severely disrupting pre-Dasain production. Fed up with regular labour problems, Carlsberg has decided to put a cap on its investment levels. "They have requested us to relocate factory from Gaidakot to a place more strike-free," says Rajendra Khetan, executive director of the Khetan Group. "It has also told us it is ready to withdraw investment if some legislations do not change soon."

Nepal Battery Company, the first-ever joint venture manufacturing effort, has decided to wash its hands off Nepal. It is leaving to avoid more losses

resulting from a scathing and protracted labour dispute, partly over the hiring of Indian nationals. Nepal Battery, with an authorised capital Rs 34 million, is now looking for buyers to dispose its stock and assets.

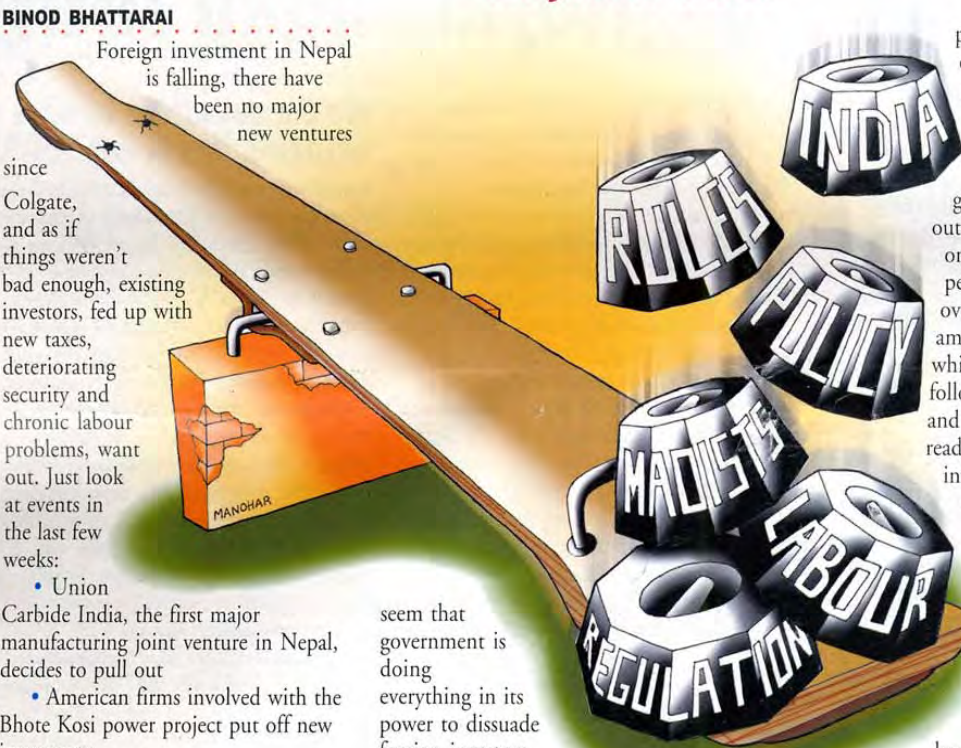
It was the incentives to foreign investors, especially in hydropower, that had made Nepal a pioneer in private sector power generation in the region. But many of the early gains have been eroded because of regression. The strategy was: to pull foreign investors, Nepal has to be a more investor-friendly than countries with greater economies of scale like Bangladesh and India. Why else would they come?

After the December 1996 India-Nepal trade treaty a host of Indian companies like Dabur, Kodak and Colgate-Palmolive invested in Nepal, putting up production facilities to cater to the domestic market as well as export to India. There were incentives like tax-free exports, duty-free import of raw materials and cheaper labour in Nepal.

But things soon started turning sour. The companies found that incentives detailed in the foreign investment rules didn't exist or were flouted, and there are hidden taxes and massive payoffs to officials. Refunds for duty on raw material imports aren't made for years. In fact, the Finance Ministry doesn't seem to have made adequate provisions for refunds to foreign investors for duty-free imports. By the middle of 2001, there could be an accumulated Rs 1 billion that the government will owe in refunds to foreign companies, but the ministry has allocated only Rs 200 million for the same in this year's budget. ⇨ see p. 19

INVESTMENT UNFRIENDLY

If the Maoists' intention is to scare away foreign investors from Nepal, they needn't bother. The government is doing the job for them.



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The one-stop solution store

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KE GARNE

The real surprise is that despite the government making it as difficult as possible for foreign investors to bring their business to Nepal, there are still some who set up shop here. Let's be frank, Nepal's investment climate was never good. We had neither the physical, nor the legal infrastructure that would make an international businessman look twice at us. Especially if the alternatives were Vietnam, Sri Lanka, Indonesia or Bangladesh. After all, as Prabhakar Rana argues, they won't just come to Nepal because they love the mountains.



All investment is about risk, in a foreign country there are more unknown risks: will the government play fair, is there rule of law, will one government honour a previous government's agreement (or bribe), will there be labour headaches, are there any hidden taxes, how about extortion, corruption and harassment? Unfortunately, Nepal seems to fail in all the criteria for major investors to be enticed with incentives to come our way, and stay.

We agree on a power buyback tariff and change it after the power plant goes into operation. We promise refunds on duty-free imports of raw materials for industries, and don't pay it. Our narrow-minded, revenue-driven economic policy works to make us uncompetitive. And ironically, it is the legitimate multinationals who want to be transparent that we harass the most.

There are a lot of parallels between Nepal today and West Bengal in the 1970s when the communists came to power. The major industrial powerhouse, commercial hub and financial centre that Calcutta was groaned and collapsed as the unions went on a rampage, and the state government started hounding the blood-sucking capitalist exploiters. Indian and foreign investors hurriedly left, setting up shop in Tamil Nadu, Punjab and Maharashtra, which welcomed them with open arms. To this day, grimy Calcutta has not recovered.

The best thing that happened to foreign investment in Nepal was the 1996 visit of Indian Prime Minister I.K. Gujral, and the implementation of his Gujral Doctrine that opened up the Indian market for Nepali manufacturing with landmark concessions. Gujral reasoned that a prosperous Nepal would create fewer headaches for India than a poverty-stricken Nepal. But we didn't do our homework, and many of the Gujral concessions have been wasted. And we didn't try very hard to attract investors willing to export consumer goods from Nepal to other SAARC countries like Bangladesh and Pakistan.

We have this fatalistic *ke garne* syndrome that rules all facets of our life. We leave it up to Pashupatinath. We never grab destiny by its lapels, and take the tough decisions today that will shape our tomorrow. So the chances to create jobs are squandered, openings for increasing export revenue are wasted and the country slides deeper into crisis. Here is one area where all is not yet lost. We must forge a bipartisan national strategy on foreign investment, offer handsome incentives that better our rivals, and reward legitimate investors. Then maybe, just maybe, it will get us somewhere.

TV, OR NOT TV

Nepal Television (NTV) is getting ready to go satellite. This means the signals will now reach everywhere from Mahendranagar to Pashupatinagar, and beyond. This was long overdue, since the technology has been available for decades and it only became cheaper recently because data compression has freed up satellite transponders. But the real issue here is this: are the present programmes worth transmitting nationwide?

One of the tragedies of the broadcast media in Nepal is that its potential for genuine communication, public education and wholesome entertainment has been largely squandered. On TV (except for the likes of Santosh Pant) the fare is mediocre, entertainment is substandard and official propaganda masquerades as news. But NTV has one great advantage: it broadcasts in the Nepali language. Time and again, we have seen that if Nepalis have access to well-produced, original entertainment they'll flick off the cable and turn to NTV. And yet, we seem wholly incapable of producing such quality programmes.

If it is thinking of going into higher orbit, NTV has no other option than to pay attention to content. This is especially important since its signals will soon be jostling for viewer attention of the "empty-v" generation with all the other channels. The least we can do is produce less trash ourselves. NTV must upgrade content. It may have satellite access, but the audience has a more powerful weapon—the remote control.



STATE OF THE STATE

by C.K.LAL



Royal Nepal Army (Pvt) Ltd

The Royal Nepal Army doesn't seem to have anything better to do, so it wants to go into banking. This may be without precedence in Nepal, but armies in the neighbourhood have done it, and pretty successfully. Thai generals own banks and television stations, the Pakistani military runs its own airline. So why shouldn't we? Our army may ask. An ominous question, considering the political activities of both the Pakistani and Thai armed forces.

It will be useful to recap Nepal's praetorian past. Our early generals rallied forth and unified the kingdom, but it was the prospect of material rewards that kept the forces of King Prithvi Narayan Shah on the march. Nepal's founder king himself explains it in his magnum opus, *Diviyopdesb*: "If a king is generous, soldiers from far and wide are attracted to him out of greed."

So this greedy band of desperadoes trudged all the way to Kangra and Almora, and was loyal as long as the army leadership remained with the battle-hardened officers corps from Gorkha's Pande and Basnyat families, and to a lesser extent, from the Magar and Gurung communities. But it was when the army came to Kathmandu's mild climate, friendly topography, easy prosperity, and cosy security that it went soft. Soon, the brass was up to its neck in court intrigues.

The Gorkhali army fell into the hands of Jang Bahadur Kunwar—a foxy general so ambitious he had no respect even for the doctrine of 'honour among thieves'. Jang Bahadur eliminated almost the entire Gorkha aristocracy based in Kathmandu in one fell swoop during the Kot Massacre on the night of 14 September 1846. The army then turned into a private militia that remained at the beck and call of successive Rana Prime Ministers. It was the Anglophile Ranas who sent them off first to counter the 1857 Mutiny in India, and then later to fight for the Allies in the two world wars. Back home, its main function was to keep the rulers safe and help organise elaborate hunting expeditions in honour of visiting dignitaries.

The revolution of 1951

We cannot afford to have a state within a state anymore, this is not 1960, or for that matter 1846.

transferred control of the country, and the army, from the Ranas back to the Shahs. King Tribhuvan found that he had inherited a force that was a pale shadow of the glory days of the Gorkhali *fauj*. He acted swiftly to restore it back into shape with Indian help. A 100-member Indian military mission under a major general arrived in 1952 at the invitation of King Tribhuvan. Indians remained in some form or the other with the Nepali army for over a decade, and helped implement significant reforms in training, recruitment, promotion, and military discipline. The present Royal Nepal Army owes much of its structure to successive Indian advisers.

Not so long after he was crowned, in 1960, King Mahendra used the troops to stage a royal coup, and end Nepal's first experiment with democracy. Thirty years later, when democracy was restored, questions were finally raised about the usefulness of a bloated army in an impoverished country. When the new Constitution was being drafted, there were rumours that the generals had pressed for a more active role for the king. It partly succeeded: an ambiguity over whether it is the elected government or the constitutional monarch who controls the armed forces was allowed to remain.

This confusion continues to confound the polity to this day. Two prime ministers pledged publicly to mobilise the military to fight the Maoist insurgency, but both of them backed out following intransigence from the top brass. Prime

Minister Girija Prasad Koirala is less forthcoming, but according to Krishna Prasad Bhattarai, the king told him in no uncertain terms that his title of Supreme Commander-in-Chief of the Royal Nepal Army was not just ceremonial.

Bhattarai believes that the king is under the impression that the army is still solely his, just as it has always been for all the rulers before him. If that is so, then the recommendation of the National Defence Council may be necessary, but not quite sufficient by itself, to put the troops at the disposal of the nation's chief executive. So it is natural that the army does what it likes more or less independent of government. As Harka Gurung said at an informal gathering at Bhattarai's residence last week, the army is like "a state within the state, (with its) own schools, own hospitals, own commercial helicopter service". And now the generals want to become bankers as well.

To be sure, the Army has a relatively unsullied image. This is perhaps because it has remained out of critical public gaze and hasn't been overtly involved in maintaining law and order like the Police. It has been effective in guarding Nepal's national parks, and preventing our rhinos and tigers from being decimated by poachers as they have been in India, and during natural disasters and mountain rescue has provided invaluable assistance. It can and should be more involved in the construction of development infrastructure in remote areas.

While the Army needs to enhance such peripheral non-military roles, it should keep away from arenas best left to civilians. Still this is a far-from-transparent institution, and there may be only one way to make it more responsible—to gradually bring it within the ambit of political institutions so that it can operate according to the laws of the land. We cannot afford to have a state within a state anymore, this is not 1960, or for that matter 1846. As they say, when history takes a leap, it is often backwards. ♦



BINOD BHATTARAI

Sujata, the 46-year-old daughter of Prime Minister Girija Prasad Koirala, has become a constant fixture in the Nepali political scene ever since she staked a claim to the party ticket in the last elections in May 1999. Her father, who is both party president and prime minister, did not give her the ticket to contest from Sunsari. *Sanubua*, as she calls her dad, didn't want her to be in the political mainstream because of internal party jostling and also not be seen as favouring his daughter. But Sujata is determined to get into politics on her own steam. "I am in politics, I will do politics, I will not give up. I will fight," she says.

Sujata spent most of her married life outside Nepal. After primary schooling in Biratnagar, she completed high school at Shanti Niketan, near Calcutta, and moved on to New Delhi to train as a textile designer. Her father and uncles were in and out of jail while she was growing up. Then in 1968, when she was 13, she lost her mother, on whom she used to depend on very much because *Sanubua* was away most of the time.

Sujata returned to Nepal in 1975 and did some designing. But all that took a back seat after she met her husband-to-be Norbert Jost, a German economist with the Food and Agricultural Organization (FAO). Marriage took her to Germany where she had two children—a son and a daughter. She moved from one Asian capital to another with her husband's postings until 1990 when political changes catapulted daddy Koirala's Nepali Congress party to power. Since then Sujata has been in Nepal for longer stretches, and these days she's back permanently to **tip her political base and pursue social work.**

"I wanted to come and do social service even during the Panchayat days but we were not given the opportunity," she says. "Those were hard times. In Biratnagar they didn't allow us even to donate blood, saying it was Congress blood."

Sujata's homecoming has not been free of controversy. Even her Koirala relatives see her as a threat and potential

competition in the Congress hierarchy. Party cadre see her hogging the limelight and power while they did all the dirty work to put the party in power. The media likes to whip up her marriage to a foreigner as a disadvantage every

time her place in politics is discussed, and the papers are full of charges her influence-peddling for personal gain. She is also attacked for the special favours she gets for her Sushma Koirala Memorial Trust, the organisation she set up in her mother's name.

The most controversial accusation against Sujata is her alleged involvement seven years ago in talking her father into appointing a little-known London-based company (in which she is reported to have interests) as Royal Nepal Airline's General Sales Agent in Europe. The Commission on Investigation of Abuse of Authority (CIAA) looked into the charge and dropped it.

Questioned about it, she sidesteps it deftly: "People say so many things, they may say anything, but I will not be discouraged. I am very clear about what I am doing and will continue doing my work." So why does the name "Sujata" pop up in every new controversy? "I am very straightforward type of person that's why I also get into trouble," she says.

Girija Prasad Koirala has become prime minister four times in the past 10 years, and is now among the most powerful men in Nepal. Being a prime minister's daughter is no joke,

especially in a country where power and proximity to power is worshipped. That has made Sujata a power centre in her own right.

Sujata herself feels her political clout is exaggerated. "I feel there are more disadvantages. I did not get a party ticket because I am the daughter of Girija Prasad Koirala," she says. "Otherwise there was no reason why I should have been denied. I had not taken anyone's constituency and I could have won a seat at one go where no Congress candidate has ever won."

But she agrees that there are advantages. "Being his daughter has helped me in my work at the Trust, *Sanubua's* supporters also help me to implement projects in villages." The Sushma Koirala Memorial Trust was set up in 1993 and runs a showpiece hospital for reconstructive and plastic surgery in Sankhu, run by the international plastic surgery group, Interplast. Sujata runs other community development, health delivery and rural infrastructures projects in the

Sunsari 1 constituency she is nurturing. "We've been successful because of support of many people who believe in what I want to do," she says. "The hospital is very special to me because my mother died of severe burns after an accident."

Critics charge that the Trust's success is more due to her proximity to power rather than vision or real commitment. Sujata denies power is the reason, saying that the Trust does not have the money or international donor support that people think it has. "My worry now is how to make the hospital sustainable after the German donors, who are paying for everything, leave," she says. "I don't know any hanky-panky, all I want to do is good work."

Sujata has her own followers: job-seekers, aspiring politicians, hangers-on seeking or willing to trade favours. The flair with which the Prime Minister's daughter holds court in her big house in Mandikatar shows all the trappings of an emerging politician. Over 50 people mill around the Trust's office at

"I am in politics, I will do politics I will not give up, I will fight. I am very clear about what I am doing and will continue doing my work."

Lazimpat every day, others visit her at home from early in the morning.

The fact that Sujata spends more of her time in Nepal these days has led to speculation that her marriage is on the rocks. Sujata declined to discuss her private life with us, saying that her involvement in many projects and her political career is what has kept her here. Both politics and social work are about changing society, especially for the better. Says Sujata: "You can help small groups by doing small projects, you have to be in politics to make a larger impact. The ministries have money earmarked for projects in villages, as a politician I'm in a better position to demand that the resources be spent where they

are meant to be."

One project now on Sujata's drawing board is a polytechnic training institute and a centre to train staff nurses. The idea struck her after she met Nepalis working in Qatar. "Because they don't have skills they earn less than Indians, Bangladeshis and Filipinos," she says. "With proper training they could get better jobs, more money."

Girija Prasad Koirala has not taken special steps to groom his daughter to be a politician. But it seems the political genes she inherited are just too strong. Sujata visits *Sanubua* at least once every day but not for any special political coaching. There is one mantra that she has learnt from her father: "He told me emotions and sentiments do not help in politics." ♦



The prime minister's daughter

LETTERS

CLEAN AND HOLY

Thanks for "Trickle of Hope on the Bagmati" (#9). Just to clarify some points. The Ganga Aryaghat Improvement Project does not plan to clean Bagmati water. This is being done by the Bagmati Area Sewage Construction Project which plans to send the treated water through a 522m tunnel, connecting Tamraganga and Tilganga so that "clean but unholy" water does not flow past the Aryaghat. However, as the situation at the Aryaghat will worsen in the dry season because there will be no water left in the river, we propose to bring "clean and holy" water from the Sundarijal area so that it can be discharged straight into the river. This way, devotees have holy water from the source of

the Bagmati, while the local environment has clean water from the treatment plant. We do not plan to build a big reservoir as you have stated, it will be a simple intake where we bring water from Dhap to replace water we withdraw from Sundarijal. This is a simple and sustainable solution.

Contrary to what you have suggested in your editorial (#8) we do not intend to change the name of Aryaghat. Our project is called Ganga because it was initiated by Mr Binod Chaudhary in memory of his mother. I do not see this as a major problem, after all what's in a name? It is the work that is more important.

**Bhusan Tuladhar
Kathmandu**

Salil Subedi's "Garbage in, Compost Out" (#6) is timely. The initiatives taken by the group WEPKO are commendable.

Unfortunately I witnessed an episode last Saturday of which I took a picture (see below). The collectors dispose the garbage behind the wall east of ICIMOD. They don't produce compost or take it for recycling. In fact, a small hill of trash has already been created at that place. The solution may be the concept of "zero waste". The waste collector goes



from door to door and pays money for the high-quality waste generated at your home. Check it out at www.multinepal.com

**Badan
Lalitpur**

SHYAM'S MA'M

I think your article on Shyam Kakshapati (#9) is somewhat male

piggish. I have followed Shyam from the Park to when he hung up his first bear mug in Nanglo, delighted in his

first Bakery, made michee michee of his Chinese restaurants and on and on...and I noticed that whenever Shyam went, his wife, Rani, was sure to go. It was Shyam and Rani all the way. You give her scant mention. Behind every successful man there is a woman inventing momo cha and generally going bananas.

You can make up for this serious lapse with a fulsome article on Rani. Knowing Rani, when Shyam opens his first Nanglos in Zimbabwe and Zaire and... She'll be there, cheering him on.

**Dubby Bhagat
Kathmandu**

I read with special interest your piece on Shyam Kakshapati (#6). But you missed his earlier venture: Sam's Grocery at Ratna Park in the early 1970s which had the first-ever juice fountain in Nepal, a

watering hole for students like me who used to walk all the way from Padma Kanya Campus during breaks to take a drink. You also missed mentioning Nanglo West in Tansen, Palpa, where Shyam has restored and turned an old house into the finest eatery that side of Mugling.

What Shyam has managed to do for the hard of hearing has empowered disadvantaged people with skills and courage. It teaches us, the rest of 'advantaged' society, to treat them with respect and not the traditional ridicule. Thanks to Shyam, and thanks to Nepali Times for reintroducing us to him. May he continue to inspire others to have golden hearts too.

**Poornima Joshi
Kathmandu**

Locals want concrete action to close

This month Himal Cement was forced to close for five days. Now, people of Chobhar want it to shut down for good so they can breathe easy.

HEMLATA RAI

Kamitar used to be a beautiful village nestled in an amphitheatre of paddy fields when Kisan Kumari Maharjan came here as a new bride 30 years ago. The family fields produced enough grain, vegetables and fruit to feed the family, and they sold the surplus in the nearby markets.

Then came the cement factory, and life for Kisan Kumari and her neighbours changed drastically. Gray cement dust covered the fertile fields and caked and formed rock-hard surfaces. The air was thick with coal dust, soot and limestone particles. When her village was downwind from the factory, it was unbearable. Many villagers developed chronic coughs. Harvests suffered. Chobhar's famous cauliflowers, radish and spinach don't sell anymore because they are stunted.

"We saw it all happen, and although we suspected the cement factory, we didn't know how to begin to stop it," says Kisan Kumari. "Now everyone here blames the factory, and we are getting organised."

Unlike other settlements around Kathmandu Valley, Kisan Kumari's village has seen very few outsiders moving in. No marks for guessing why. The neighbourhood did not attract any buyers even when Kathmandu's real estate values hit the roof. Today land here sells for just Rs 250,000 a ropani. Over the ridge towards Kirtipur town, it is three times more. The most badly-affected

villages are in ward numbers 13, 14 and 15 of Kirtipur and wards 5, 6 and 7 of Saibu.

Local residents say they began opposing the cement factory from the day it opened in 1979, but the protests were silenced by the rulers of the day. In the years after democracy, the affected have raised their voices many times but so far without success. Last month, their objection took a dramatic turn when the Environment Protection Agitation Committee, a protest group formed three years ago, severed water supply lines to the factory on 11 August.

Police moved in and arrested about 30 agitators and the factory remained closed for five days. Finally the management reached an agreement with the protestors. The factory management agreed to immediately install filters to reduce dust emissions from the stack, prepare a long-overdue environmental impact assessment, and build a retaining wall to protect the Pakha Gaun area of Saibu from landslides.

The protestors are now getting overdue support from environmental groups in the city, which is also affected by the dust and pollution. Experts say up to 80 percent of the Valley-wide dust and soot that gets trapped by the winter inversion is from Himal Cement. Kathmandu is the only major city in the world with a cement factory in full-scale production only four km from the city centre. And the factory's proximity to the holy Chobhar Gorge and the Chobhar Ganesh Temple makes

its presence even more galling.

Most urban planners, environmentalists and now villagers want the factory closed down immediately. Senior Geologist at the Department of Mines and Geology Krishna Prasad Kafle gives yet another reason: "The factory has already used up mineable limestone. Continuation of mining there can lead to geological disasters and more environment damage."

The only reason the government keeps Himal Cement running is its daily production of 120 tonnes. But that amounts to only 43,800 tonnes a year, even if the factory runs for 365 days. This is less than 3 percent of the country's annual demand of 1.5 million tonnes.

Nepal's domestic production meets only 40 percent of total demand. The government has been attempting to make up for the shortfall, most notably by inviting India's Birla Cement to establish a cement factory in Surkhet two years ago, and also permitting another Nepal-India joint venture in Arghakhanchi in 1997. But Birla is fighting for tax concessions and the government has given the company final notice to set up its factory or have its licence annulled.

Back in Chobhar, protestors say they don't really care where the new factories come up. "We are not demanding the immediate closure of the company, we demand they maintain the environmental



MIN BAIRACHARYA

HERE AND THERE

by DANIEL LAK

Canada in the global village

Thousands of orders for stamps were being submitted, with the same picture of a 40-something, intense South Asian man.

I got an early lesson in the notion of the "global village" as a young journalist and union official in Canada. Not to mention my first meeting with someone from Nepal.

My trade union had sent me on a course on the history of the labour movement to a university

in the central Canadian city of Winnipeg. I think my more activist colleagues were a bit distressed that I was neglecting the class struggle and trying hard to get my bargaining unit more money for less work. That's always seemed a sound proposition to me, although in these days of global corporatism, it can be seen as tantamount to blasphemy.

One night, on the way to class, I heard a booming stentorian voice with an odd (to me) accent coming from around a corner. Then I ran into an even odder couple, a towering New Zealander with snowy hair and jutting eyebrows, and a short, wiry fellow with a habitual grin and an aura that

combined deep competence and friendliness.

I'd collided with Sir Edmund Hillary and a nephew of Tenzing Norgay. They were at my university to inspect classrooms with an eye to sending budding engineers from Solukhumbu on scholarships. Now, there wasn't a mountain for several thousand km in any direction, barely a hill or a mound of earth.

We were in the Great plains of North America. It was also the middle of winter, with temperatures around minus 30 degrees. So I asked the young Norgay about the wisdom of sending Sherpas to Winnipeg, and whether a university in a more mountainous area might

not be appropriate. He hooted with laughter. "Perfect," he said, gesturing out the window at a howling snowstorm, "like being on Everest without climbing, and we can drive cars. No walking or carrying loads."

Canada used to be the last place that one would expect to encounter South Asians, but not any more. This Subcontinent, and my country are neighbourhoods in the global village with close, intrinsic links. And not necessarily positive at all times, as one particular recent episode demonstrates.

The Canadian postal service, seeing its business disappearing to e-mail, decided to tempt people back into the post office with an interesting scheme.

Instead of the august, never-changing features of Queen Elizabeth II, a small sum could put the photograph of your choice upon a postage stamp. You paid slightly above the cost of the stamp. And the face of a loved one, a friend, your dog, whomever—so long as consent had been given.

The idea was getting quite popular when someone at the post office noticed something odd. Thousands upon thousands of orders for stamps were being submitted, with the same picture of a 40-something, intense South Asian man. Identification of this person, was vague at best.

Delivery of the stamps was halted while things were checked out. The man in the photograph, very nearly on the stamp, turned out to be Velupillai Prabhakaran, head of the Tamil Tigers. Those among Canada's Tamil community who support the LTTE armed activities in Sri Lanka had hit upon a tremendous wheeze to get international stature for their cause—their leader's head on a postage stamp of a small but respected nation.

The order was denied on the grounds that Mr Prabhakaran had not given his consent in writing.



Overwhelmingly, of course, the Canada-South Asia link is to the betterment of both places, although I hope the Indian participants of an upcoming goodwill trip to Canada think so too. Canada, it appears, is about to become a world power in the diamond business. Determined not to kowtow to the international cartel run by DeBeers of South Africa, Canadian gem miners are forging direct links with the diamond cutters of India—largely in Gujarat.

Later this year, a group of Gujarati gem merchants and cutters will be taken to Canada to see the diamond mine—in the roaring, high Arctic, thousands of km north of even Winnipeg, where my young Sherpa friend was so happy. I can only hope the goodwill survives the cold. If it does, it'll last forever. ♦



down cement factory



Manager Shaker Raj Aryal refused to talk to us. "Though the factory employs many locals the environmental and health problems it has caused are very serious and of a long-

term nature," says Jivan Shrestha, a local youth. "During winters the visibility becomes so poor that driving becomes difficult, leading to many road accidents." ♦

Health hazard

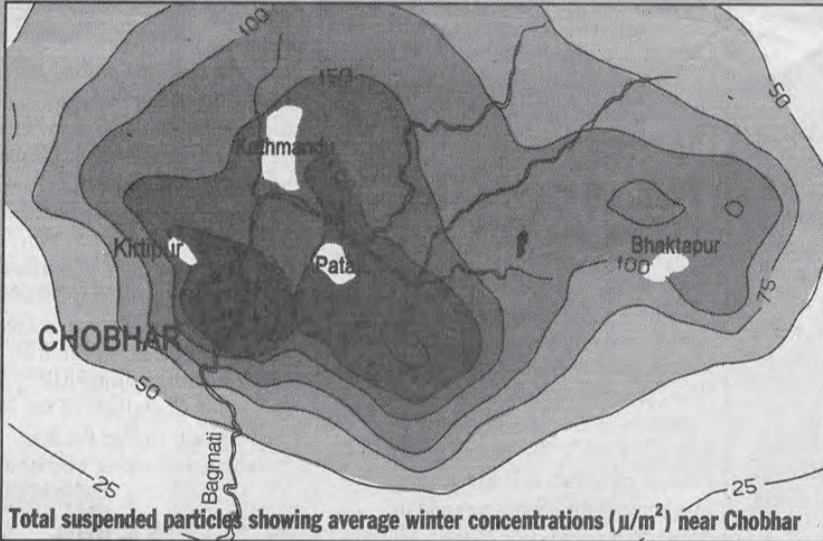
Himal Cement Company has a production capacity of 360 tonnes a day, but it is working only at one-third capacity at present. It has two stacks that are more than 30m in height, but since the factory is located in a gully behind Chobhar Gorge, the dust and smoke is trapped in a secondary inversion layer and "overflows" into the valley depending on prevailing winds.

The factory consumes about 20 tonnes of coal and emits about 2.5 tonnes of ash, soot and dust from the stacks daily. Another 10 tonnes of dust is blown out every day from the limestone quarry above the factory. Although bag filters and wet scrubbers were brought in 1993, they are lying in the factory premises and were never installed, according to one former employee.

Dust particles in the air are harmful to people, and depending on the size they either affect the upper respiratory tract and cause infections, or go deep into the lungs and lead to asthma and lung disorders—especially if breathed over extended periods. Every year, Himal Cement emits 6,000 tonnes of larger dust particles which settle in the villages and upper-class residential areas of Bhaisepati and Godavari downwind from the factory. Another 800 tonnes of particles, below 10 microns in size, rise higher and are trapped in the inversion layer in winter and settle all over the Valley. An additional 615 tonnes of sulphur dioxide are also emitted.

standards so that public health and the environment are not compromised," says Sujindra Maharjan, president of Environment Protection Agitation Committee. Maharjan says the company has violated environmental standards, overlooked seismological warnings, threat-

ened the nearby cultural and historical monuments and houses by indiscriminate explosions during limestone quarrying, and polluted the Bagmati River. General Manager of Himal Cement Subhas Pokhrel was not available for comment and Deputy General



HK court acquits Nepali

A Nepali who spent three months in custody for immigration fraud was freed last week after prosecutors dropped the case for lack of evidence.

A Hong Kong newspaper reported that the case of Namaram Rai, 37, was the latest in a series of Immigration Department incidents in which alleged offenders have spent time behind bars before walking free from court. Last year, a 16-year-old American resident spent three months in detention for possession of a forged passport which turned out to be authentic. Rai found himself in a similar position, according to his legal counsel.

Rai was arrested in March earlier this year with using a false travel document—his Nepali passport—on May 27 1995. He also faced two other counts of making false representations to an immigration officer, in May 1995 and December 1995, when he maintained he was Namaram Rai, the name on the passport. Prosecutors identified him as Dambar Kumar Limbu in his chargesheet.

Rai was granted bail on 14 June pending his trial. A spokesman for the Immigration Department said officials still considered Namaram Rai to be Dambar Kumar Limbu and they would investigate the matter further. Rai's lawyer, however, said immigration officials did not conduct any scientific tests on Rai's passport, which could easily have proved his identity. She handed the court letters from the Nepali consulate in Hong Kong and from immigration officials in Nepal which she said verified the passport's authenticity.

Body count

The Maoist insurgency that began in February 1996 has so far claimed 1436 lives, reported the Home Ministry last week. The Ministry said that among those killed are 979 suspected rebels, 249 civilians (killed by the rebels) and 208 policemen.

Government figures showed that it had released 138 people arrested on different charges related to the insurgency while another 300-400 could still be in prison. It also stated that Maoists had so far abducted 269 men, women and children of whom 24 had been killed.

Polluted city

Guess which of the country's three sub-metropolitan cities, Birgunj, Biratnagar and Pokhara, is the most polluted? The answer is Birgunj, says a study conducted by the group Leaders Nepal.

The research findings, based on the air quality in June, concluded that Alakhia Road Chowk, a commercial and residential hub in Birgunj, reported the highest values for total suspended particles (TSP). While even the industrial area of Pokhara had a lower TSP count. Likewise, the count of particulate matter less than 10 microns (PM10) was highest at Birgunj's Gadheria Chowk and the Birgunj bus park reported the highest values for sulphur dioxide.

Landslides still active

The rainy season is almost over but engineers at the Department of Roads believe landslides could still surprise commuters heading home for Dasain. The experts warn that pressure of traffic on the Prithvi Highway, the main road linking Kathmandu to link rest of the country, could trigger more landslides.

A massive landslide at Krishnabhir in mid-August blocked the highway for several days and it has still not stopped sliding. Now the vibrations caused by the increased traffic could trigger more slips along slopes already weakened by the heavy rains of the past season.

Torch protests banned

Just days before the group of nine left parties, supported by the Maoists, were getting ready to carry out a torch procession, a day before the bandh called by them, the government announced it was banning all such processions. Carrying flaming torches in procession is a favourite mode of protest, especially among the left parties. The government reasoned that since such processions are generally held in crowded urban areas, they pose a potential fire hazard.

Urdu fortnightly

Nepal now has a national Urdu newspaper. The fortnightly *Nayee Sadee* was launched last week by Madhav Kumar Nepal, general secretary of CPN(UML) and leader of the opposition in parliament.

Speaking at the launch Nazir Miya of the Muslim Ekhtiar Sangathan said that the newspaper will serve as a voice of the Urdu-speaking community in Nepal, which has so far been neglected. Among the speakers was Jamshed Ikhtiar, counsellor at the Pakistan Embassy.

"AN AUTHOR CAN SURVIVE ANYTHING BUT A MISPRINT"

— OSCAR WILDE

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PARKING AVAILABLE

Holiday Nepal

Prakash Wosti in *Deshantar*, 17 September

According to a 1930 government order, government employees enjoyed a 5-day holiday in Dasain, 2 days in Tihar, one hour on Ram Navami, after-2 pm on Indra Jatra and half a day for Bhoto Jatra.

The 1999 gazette shows the following list of holidays:

- 1) Saturdays 52
- 2) Dasain 10, 15 for the courts
- 3) Chaite Dasain 1
- 4) Tihar 4
- 5) Remembrance days 4
- 6) Kings's Birthday 1
- 7) Anniversaries 2
- 8) Women only 3
- 9) Festivals 12
- 10) King's state visits -
- 11) Kathmandu Jstras 4
- 12) Kathmandu only 52

Besides these, off-days are also announced during the visit of some foreign dignitaries, or when a very important person dies. Meanwhile, with the advent of democracy, a new kind of off-day has emerged in the form of bandhs. In the year BS 2054, bandhs accounted for 10 holidays, and in BS 2056, it took 6 days. Taken together, this means a total of 150 off-days, or 5 months off per year. Surprisingly, for employees outside the Kathmandu Valley, Sunday is still a working day. It seems they do not deserve to have Sundays off. Only God knows the reasoning behind this, or does He?

OCTOBER 2000

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
2	3	4	5	6	7	1/8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

October holiday list

The reasons provided for declaring Sunday a holiday in the valley were many—it would cut down pollution, consumption of electricity would go down, there would be smaller telephone bills, whatever. But has this happened? No one knows for sure.

Some SAARC countries do enjoy holidays on Saturdays and Sundays, but they do not get holidays on Jatra days, Jayanti days, what have you. The main festivals do not merit more than 2 days off. Japan has a total of 14 official holidays, America 10, China 16, European nations an average of 10 days, India 17, Bhutan 16, Pakistan 11 days, etc. In Nepal, the Dasain holiday itself is 10 days, and make that 15 for the courts. Maybe they need it.

Employees can take another 90 days or 3 months off, for festivals, home leave, mourning leave, sick leave, maternity leave (for women), etc. For education, a leave of 3 years is granted, and that can be extended by another 2.

All this means that the people in Kathmandu Valley have to work for only 4 months a year, while the people in other parts of the country have to work for 6 months. No wonder the productivity, growth and development of Nepal is touching the sky.

QUOTE OF THE WEEK

"I have already contested elections to be president (against Koirala). There is little more I need to say on the need for the transfer of leadership to a new generation...Why should I not contest again?"

—Chiranjibi Wagle, a Bhattarai-confidante and Congress MP in Tarun, 18 September.



Budhabar, Weekly 13 September

This time we brought only five athletes. We didn't want to strain the national exchequer.

Oli, Nepal in student politics

Nepali Patra, 15 September

The leadership issue of the All Nepal National Free Students' Union (ANNFSU) is now being decided by the UML. The UML, under the leadership of Madhav Kumar Nepal, has decided that Rajendra Rai will now be the president of the ANNFSU. Rai was earlier the general secretary of the student body.

A battle royal had ensued between Nepal and Oli in nominating their respective favourites for the presidentship of the ANNFSU. Rai was supported by Nepal, while Oli rooted for Binod Dhakal. But cashing in on the absence of Oli who is in the US, the UML leadership was influenced by Nepal to nominate Rai for the president's post.

It is expected that the students will create a ruckus over the matter. They will not tolerate the high command intervening directly in their affairs. Moreover, Dhakal is seen to be more efficient and popular than Rai in the student wing. Dhakal's supporters easily outnumber those of Rai's, and sidelining a person who has a solid grip over the students, may prove detrimental to the party. The ANNFSU convention is to be held in Butwal on 17 September, and the issue is sure to set off some sparks. But the UML leadership maintains that the party has the sole right to make appointments to the top five positions, even as elections to the rest of the posts will be held.

Oli enjoys more influence at the grassroot levels, as also in other UML-affiliated organisations. Nepal, for his part, is feeling the heat, and wants to strengthen his position at all levels. The fight over student leadership is a direct result of Nepal's attempt at strengthening his support base. Interestingly, during the ANNFSU Convention, both Nepal and Oli will be out of the country, and Bharat Mohan Adhikari will be representing the party.

Political solution for Maoist uprising

Chhalphal, 17 September

Stating that the present government cannot solve the Maoist problem, left-leaning parties organised a meeting where they presented their opinions and solutions to the problem.

UML leader Jhal Nath Khanal said that at present there is an undeclared war on between the government and the rebels, where each side ends up killing innocents. He stated that the Deuba Commission is ineffective and just a showpiece. In the last 10 years, poverty, exploitation and suppression of people has increased, and this was why the rebels are now so powerful, said the leader. He further stated that his party does not believe in nor supports the way in which the rebels are operating. The problem is a political one, and has to be handled carefully, and a political solution is the only way out. If a political and peaceful solution is the aim, then his party would be more than willing to play a part.

Nepal Workers' and Peasants' Party chief Narayan Man Bijukche said that the problem cannot be solved in the present way. This is a political problem, and only a political solution shall be beneficial to the nation. Solving this problem is a test for the Congress, and they will only be successful if they handle the case carefully, and with conviction. At present, it seems that both the concerned parties are only interested in killing people, said Bijukche.

Marxist-Leninist leader C.P. Mainali said that the present crisis is a way of protest by the society, and forces inside and outside the country are taking advantage of this situation. He wanted to know why the government is

not preparing the ground for dialogue and negotiations.

Padma Ratna Tuladhar stated that when Sher Bahadur Deuba was the prime minister, positive steps were taken to find a solution, but the present government is not doing anything.

Bhakta Bahadur Shrestha of the Rastriya Jan Morcha said that if the government had taken the right steps earlier, a solution would have been in sight. This is a political problem and branding the rebels as "terrorists" will not solve it.

Amik Sherchan of the Samyukta Jan Morcha Nepal also said that this is a political problem, and can only be solved if handled carefully, and a dialogue is held, instead of just massacring people.

MP Pari Thapa of the Rastriya Janmorcha said that the people are now caught between the rebels and the government. The MP said that while rebels have their own targets, the government is merely labelling all and sundry as Maoists and shooting them down.

Revolving door MPs

Nepali Patra, 15 September

After the special election courts reversed the election result of Rajendra Prakash Lohani in favour of Dr Prakash Chandra Lohani, it now seems that a trend has set in, whereby a number of candidates who have been officially declared victors stand to lose their seats. Foreign Minister Chakra Bastola may be the next one asked to vacate his post. Bastola had won by a margin of 26 votes, and his closest rival Yuktha Bhetwal had filed a case seeking a recount, citing there were irregularities in the counting process. After a lot of legal acrobatics, the court has finally ordered a recount, and many expect Bhetwal to win this time. The constituency is Jhapa-4, and Bastola had polled 15,671 votes, as against Bhetwal's 15,645.

Similarly, recounting is also set to take place in Rupandehi-4. The losing candidate Deepak Bohara of the RPP had filed for the same, and it is expected that the sitting MP Duryodhan Choudhary of the Nepali Congress, will end up the loser. Choudhary had earlier won by a



Bastola

margin of 321 votes.

Another UML heavyweight, K.P. Oli is also trapped by the court's decision to call for recounting in his constituency. The constituency in question is Jhapa-2 where Oli had defeated Giriraj Kumari Prasai of the NC by a grand total of 17 votes. Oli had polled 18,909, while the NC candidate had won 18,892 votes.

Rukum-2 is also waiting for a recount. In this constituency, Gopalji Jung Shah (NC), who was defeated by the UML's Tirtha Gautam, had filed for a recount, to which the courts have agreed. Shah had lost by 496 votes.

In all these cases, it is expected that those who had been declared elected may have to vacate their seats in favour of the losers.

Khadga Bahadur disappears

Deshabantar, 17 September

The courts recently freed Khadga Bahadur Bhujel, the main accused in the Pravin Gurung accident case. This has come as a boon to the palace. In the first instance, the anger and frustration against the palace over its handling of this case, will now be deflected towards the government. Secondly, it becomes easier for Paras Shah to give his statement.

We have to remember that right after the incident, the activities of the police, the government and the palace, have all indicated that the main culprit was none other than Paras Shah, and Bhujel was being framed as the fall guy. Bhujel is now a free man.

It will now be easier for all the concerned parties to hush up this case. Neither proof, nor witness, or any other form of evidence has come up in the case. The police do not know how the incident took place, who the driver was, or of any other circumstances leading to the death of the singer. This helps the concerned authorities to state that since there are no clues or evidence, they cannot implicate Paras Shah in the case. Meanwhile, Pravin Gurung's wife has publicly stated that Paras Shah is not the culprit.

After being freed by the court, Bhujel has shifted residence, and his whereabouts are not known. In fact, Bhujel must be a happy man these days. He needed money for his wife's pregnancy and to run the house. He seems to have got enough of that.

This seems to be the end of the Pravin Gurung story.

All the PM's kith

Ghatna Ra Bichar, 13 September

Among the many accusations against the prime minister, one is of nepotism. Never before, other than in the Rana regime, have so many members of one family exercised control over so many important posts. Under Girija Prasad Koirala's leadership, members of his clan have moved into many prominent positions, and are creating their personal fiefdoms. Moreover, friends, assistants and personal domestic help, have been given important areas to run as they see fit.

The children of B.P. Koirala, too, are in important positions, but the general public holds no grudge against them. But against the present prime minister's brood, the public nurses no such feelings, and it is only a matter of time before they vent their anger and frustration.

A partial list of the members of the PM's clan is given below along with the positions they hold:

Relation	Name	Position Held
Cousin	Sushil Koirala	MP, General Secretary NC, Central Working Committee (CWC)
Sister-in-law	Nona Koirala	CWC, Chief of Women's Wing
Niece	Sailaja Acharya	CWC
Sister-in-law	Lila Koirala	CWC
Niece's husband	Chakra Prasad Bastola	Minister
Niece's husband	Dil Bahadur Gharti	MP (Upper House), CWC
Brother-in-law	Amod Uphadhyaya	Minister
Daughter	Sujata Jost (Koirala)	agent (for aeroplane)
Nephew	Dr Shekhar Koirala	Vice-Chancellor, BP Koirala Institute for Health Sciences, Dharan
Cousin	Dr Gopal Koirala	MP
Cousin	Ashok Koirala	President, Morang NC
Nephew	Shambhu Koirala	Chief, Morang Degree College
Nona's brother	Pramod Upadhaya	GM, National Trading Corporation
Nephew-in-law	Laxman Basnet	President, Trade Union Congress
Nephew (some way)	Bimal Koirala	Finance Secretary
Family Member	Mahesh Acharya	Minister

Money, money everywhere

RAJENDRA DAHAL, ACHYUT ADHIKARI AND KIRAN NEPAL

Nepal may be a country facing a severe resource crunch, but it is also one hampered by lack of opportunities to invest accumulated wealth. That sounds like a contradiction but the fact is Nepal is presently awash in cash.

The dozen commercial banks have more than Rs 40 billion cash in hand waiting to be invested. There are also 50 or so finance companies, co-operatives and trusts sitting on an estimated Rs 45 billion. Add to that the 5 percent or so of their savings that Nepalis tend to keep at home, and one comes up with a colossal Rs 90 billion lying around unproductively. That, of course, doesn't take into account the investments in gold which cannot even be estimated.

The availability of so much money has had a direct impact on the country's capital market, leading to a drop in interest rates to the lowest levels ever—lower even than the inflation rate. Several banks do not accept new accounts, and many have begun investing in foreign banks.

Indications of surplus capital were already evident two years ago when Tara Gaun Regency Hotel issued shares worth Rs 160 million, and the public oversubscribed the offer, with applications for shares worth Rs 260 million within a week. There was a repeat of the same phenomenon last month, although on a grander scale, when shares worth Rs 120 million issued by Radisson Hotel were oversubscribed to the tune of Rs 710 million.

Unlike the much-sought-after bank shares which distribute dividends regularly, hotel

shares generally do not attract investors. A chartered accountant told us that he subscribed to Radisson Hotel shares, even though he was fully aware that his investment would not earn dividends anytime in the near future. It can only be the lack of investment opportunity that is forcing investors to "gamble" with their money.

Since an economic revival can't be foreseen for the near future, other potential investors seem to be in the wait-and-see mood. This attitude has lowered the demand for loans, leading to an unnatural accumulation of money. Consequently, potential investors have turned to treasury bills as an alternate option, creating a different kind of pressure in that market.

The excess liquidity is also reflected in the fast plummeting interest rates banks offer. Till four years ago the banks paid 12 percent interest on fixed deposits, now they offer less than 7 percent. The interest paid on saving accounts has slipped even lower—to 5 percent. Given the government's average inflation rate of 5 percent, the value of bank deposits is decreasing by the day. Unable to invest elsewhere, Nepal Bank Limited and Rastriya Banijya Bank have thrown money into various government bonds and treasury bills, which earn them 5 percent interest, just enough to cover their own interest payments.

No one seems capable of explaining where all the money has come from. There have been no studies, but our own investigation pointed out three main reasons:

1. Remittances from Nepalis working outside the country (over Rs 70 billion annually,

Who says Nepal is a poor country? We are awash in cash. There is more Rs 90 billion lying idle, and it threatens to play havoc with the economy.

see Nepali Times # 8).

2. Increasing barter trade with Tibet. Nepal Rastra Bank has raised the ceiling for barter trade with Tibet to Rs 2 billion, but nobody keeps records of the actual trade volume. An economic analyst claims that unaccounted barter trade could be 10 times more than the recorded volume, and says that once the two proposed passes are opened for trading imports from Tibet could outpace imports from India.
3. The favourable monsoon in the last few years. Bumper crops have contributed to increasing exports and the

consequent increase of cash in the market.

Moreover, the large volume of foreign aid entering Nepal through non-governmental channels is another source of the excess liquidity in the banking sector. But, managing the cash that is outside the banks will pose even greater challenges. Gold and cash with individuals and cross-border transfers with India are more difficult to account for.

Income sources may be varied, but the main reason for the pile-up of cash in the economy is the lack of investment opportunity compared to the funds available. According to

banking sources, deposits are increasing by 20 percent annually whereas the investment is growing by 10 percent only. Industrialists, business people and the banking sector alike blame the prolonged economic slowdown caused by political instability for all the money sitting idle.

Not that Nepal lacks areas for investment. Rural Nepal, for example, is capable of absorbing a large part of the available resources. But investors are reluctant to venture into rural areas because the infrastructure to start industry is not adequate. A ranking official with the Nepal Rastra Bank said investment in rural areas had declined in recent years. About a hundred or so commercial bank branches have packed up operations, while the Agriculture Development Bank, the institution entrusted with taking financial resources to villages, is transferring its deposits to urban areas in search of potential investors.

Although the banks don't articulate it, the Maoist insurgency is another reason for their reluctance to invest in villages. They do not want to work in Maoist-affected areas and remove deposits to urban branches that are considered to be safer. Nepal Rastra Bank seems sympathetic to their anxiety, and consequently, even it has begun over-looking commercial banks disregarding the rule that requires them to invest 12 percent of their total investment in rural areas.

Lack of policies and laws to facilitate long-term investment is also hampering investment. Some economists believe that the moribund state of the state-controlled Nepal Industrial

Development Corporation is also responsible for the excess cash floating around. The Corporation could have played a major role in ensuring long-term loans and equity to potential investors and promoters and also encouraged them to seek new arenas for investment.

The government has so far failed to find a way to manage the ever-increasing liquidity in the Nepali economy. According to Dr Shankar Sharma, member of the National Planning Commission, the establishment of an infrastructure bank to cash in on the available liquidity is being considered. But the Nepal Rastra Bank that should have been the lead agency in addressing the issue remained crippled by the cold war between the finance minister and the governor (although that should change with the appointment of a new governor).

The real danger now is that excess liquidity may lead Nepal to an economic crisis. Lack of investment opportunities is discouraging savings and increasing consumerism which in turn results in a drop in savings. That is a dangerous turn for a country that already is one of the world's worst savers. The excess cash could also lead to fund outflows. Indian banks just across the border offer 8 percent interest. In a situation where the Nepali rupee has been steadily depreciating against the dollar individual savings could be siphoned to foreign countries. The effect of excess liquidity is already visible in the share market. Analysts caution that the unnatural value added to the overloaded share market may lead to a crash any time. That would indeed be disastrous. ♦



There are no new ideas among investors: Dambar Prasad Dhungel, Securities Board

*Different factors indicate that the capital market is filled with liquidity. Commercial banks have decreased their savings interest rates. Treasury bills and government bonds too have done the same. Investment is increasing drastically in public issues.



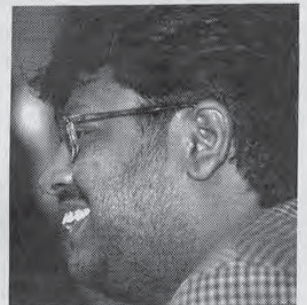
*There are no worthwhile investments to be made right now. There are no new ideas among investors. This is because big projects could not be implemented. Even the companies that have opened up have not been able to go public. Banks are traditional. They are not visionaries and tend to seek security. That is why even if we have liquidity in the market it is not being used properly.

*First of all banks need to evaluate projects for their viability and not issue loans on individual preference. Second, the tourism trade industry is only looking for loans and not thinking about going public. Third, the companies which pledged to publicly float their shares should do so immediately. Big projects should be drawn in and bonds and debentures issued which will help increase demand for bigger investments and even encourage savings.

It's the nouveau riche who have the money: Rajendra Khetan, industrialist

*Lack of vision in government, inflexibility of banks and failure of investors to identify new avenues for investment are the causes for excess liquidity in the economy. Though reliable data is not available, I would say the market has more than Rs 10 billion that could be invested.

*The people have learnt to save. Remittance is another force behind the excess liquidity. The difference in rates offered by hundi players and the banks has narrowed down to 4 to 6 percent from previous 12-13 percent, which has also encouraged the accumulation of cash. A large portion of liquidity is also held by the nouveau riche who were able to acquire excessive wealth due to political instability.



*Nepal now has accessible funds and technology to support new industries. Government should encourage long-term investments and act to discourage "fancy businesses" entering the country from across the Indian border. Legal loopholes should be plugged.

Bad news about SAD

The Special Additional Duty that India imposed on Nepali exports earlier in the year and which it agreed to revoke during the Nepali Prime Minister's recent visit is not just still around, but India has also come up with a new list of Nepali exports that will become eligible for the tax.

Finance Minister Mahesh Acharya has promised to take up the matter with his Indian counterpart within 15 days. Business sources, however, are convinced that it will be a miracle if Nepal succeeds in getting the tax removed before India's budget presentation next year.

Sugar supply sound

Fears that the price of sugar may go up during the festival season has been discounted by the Ministry of Supplies which announced that it had enough stock to last the two months till the new crushing season begins. The Ministry said the stock in public corporations was 103,800 bags (100 kg each) on 11 September, and the private sector had another 125,000 bags.

Last year Nepal produced 129,000 tonnes of sugar while demand was for 120,000 tonnes. Despite production being higher than demand, records show that the country imported 45,000 tonnes of sugar.

Summit's 20th

Summit Hotel, the first Dutch joint venture in Nepal, is 20 years old.

The hotel's unique blend of two- and four-star services is a favourite place of sojourn for up-market group trekkers and mountaineers, and is a landmark at its location on Kupondole heights. The 80-20 venture of Dutch and Nepali investors was set up in 1980 by the then Honorary Consul General of Nepal in the Netherlands Dr Dolf Noordijk with the help of Nepali tourism entrepreneurs like the late Prajapati Prasai. The hotel also has other Dutch shareholders.

Our ultimate aim is not be the biggest or the largest hotel but to maintain our quality and service throughout, said Willem Gulcher, a shareholder, talking journalists at a press conference. The Summit Hotel also manages the Patan Museum Café at Patan Durbar Square.

Highland high

Highland Distillery Pvt Ltd has introduced a new lime-flavoured Mirnov Vodka, which it says brings to the Nepali market a unique taste and quality that is unmatched by other liquor. The company has timed the introduction of the new liquor with the festival season and says the launch has resulted from the growing popularity of similar liquors in the American and European markets.

Mirnov Vodka comes in an ocean-blue colour and has a smooth, tart-tasting lemony smell-taste. Though targeted to the masses, the company also expects it to be liked by the "elite and beer drinkers, people who are confident, successful and the go-getters".



Lime Flavoured

Grindlays gets bigger

Nepal Grindlays Bank Limited has opened its 11th branch in Bhairawa, which its management said was part of its commitment to take international standard banking across the nation. The Bank, established in 1987, is a publicly listed company whose major shares are held by the Standard Chartered Grindlays Bank and the Nepal Bank Limited.

NECON anniversary

Nepal's oldest privately run airline—also reputedly the most successful one—completed eight years of operation last week, and unveiled new plans to expand its fleet both in the turbo-prop and jet engine category. The company is the only private airline with flights to Indian cities and has plans to begin daily flights to New Delhi, thrice weekly flights to Lucknow and four times a week to Calcutta.

Bhaktapur visitor fee doubled

Come 1 January 2001 and Western tourists visiting Bhaktapur will have to shell out an entrance fee that is 14 times more than that what South Asian tourists have to pay. A recent decision by the municipality plans to raise the fee from the present \$5 to \$10 for Westerners and from Rs 30 to Rs 50 for SAARC nationals. Explaining its decision, the municipality said the hike is designed to take into account the appreciation of the US dollar vis-à-vis the Nepali rupee. Last year Bhaktapur raised Rs 46.13 million in tourism fees.



CEBETS/TIMS

Gulf Air awards

Gulf Air recently awarded travel agencies and cargo agencies for their continued support to the airlines. The newly appointed country manager of the airlines, Ismili Hakiki, handed over the gold, silver and consolation awards to various agencies. The gold for ticketing was given away to Sierra Travels, silvers to Himalayan Land Travels, Menlow Travels and Rainbow Travels. Likewise, Legend Cargo got the gold, and Speedway Cargo, Everest de' Cargo and Himalayan Cargo were awarded the silver in the cargo section. "Gulf air is very happy to have been received nicely by our Nepali clients. We are encouraged to add more flights and this season we are adding one more flight," Hakiki said while addressing the gathering of various travel agents and cargo agents. "Gulf Air is very much interested to carry out further initiatives in promoting its market in Nepal." The ceremony also marked the 50th anniversary of Gulf Air.



Bye-bye CII

The five-line news item on the closure of the Nepal office of the Confederation of Indian Industries (CII) was overshadowed last week by the thrilling news coming out of the Public Accounts Committee debates. However, let us not underestimate the significance of the CII pullout. The doors for investment in this country are shutting, and if there was any final proof needed it was this. The timing of this announcement was also significant, coming as it did a week before a trade fair organised by the India Trade Promotion Organisation (ITPO). If it was a signal from Indian business to Nepali businesses, it was heard loud and clear.

The CII is an organised forum of the captains of Indian industry and has been instrumental in bringing about economic cooperation between the two countries. It was the Joint Task Force of the CII and the Federation of Nepalese Chamber of Commerce and Industry (FNCCI) that worked to formulate prescriptive suggestions for both the governments, many of which have found their way in the historic trade and transit treaty of 1997. It is in this context that the CII decision to pull out of Nepal leaves many questions unanswered: some relating to the Nepali government's own policies, others concerning the bureaucracy, and even the Nepali private sector.

CII activities in India started picking up after the wave of reforms in the early 1990s. It was felt that the Federation of Chamber of Commerce of India (FICCI) was not the right vehicle to take on issues with the government relating to larger industries and business houses. CII has been actively supporting the

Indian government on issues ranging from fiscal policy to international trade. As Indian economic liberalisation gathered pace in the 1990s, it constantly expanded its activities by opening offices in different countries with significant business interest to India.

Nepal's relations with India has never been pure business, it has always been adulterated by politics. Despite its assurances to Prime Minister Koirala last month to remove countervailing duties on exports India has yet to do so. For its part, Nepal has not yet acted on Indian pleas to curb illicit border trade. That is why CII's presence here was so crucial. It wasn't just symbolic: there were actual benefits in having the lobbying power to foster legitimate trade. Smuggling only benefits smugglers, free trade benefits everyone.

Now the initial euphoria brought about by the formation of the Nepal India Chamber of Commerce (NICCI) and the 1997 signing of the Trade and Transit treaty, after which the CII set up shop in Nepal, have all but evaporated. Closure of the CII outpost here is going to hurt the credibility of Nepal's investment climate, the sanctity of various business-related fora in Nepal, and we are going to lose its mediating and lobbying role.

It also time for hard questions: did CII really think that Nepal was not worthwhile, or did it just have problems with its Nepali counterpart? Why is the FNCCI mum? Ditto for NICCI. Are our government and bureaucracy fully aware of the implications of saying bye-bye to CII?

Readers can post their views and discuss issues at arthabeed@yahoo.com

Grindlays Gazette

INTEREST RATE UPDATE

NEPALI RUPEE	CURRENT%	PREVIOUS%
Call Money Avg.	5.25	5.10
84 Days t/bill	5.00	5.10
91 Days t/bill	5.21	5.32
365 Days t/bill	6.18	6.16
Repo rate	5.80	5.80

Market is excessively liquid and it is expected that the average rate of 91 day T/bill will come under severe pressure due to aggressive bidding by government banks. Maturity of T. Bills bought by banks in the secondary market will also put additional pressure on the rate. Expected range for coming weeks 5.0 to 5.25.

FOREIGN CURRENCY : Interest rates

	USD	EUR	GBP	JPY	CHF
LENDING	9.50	6.25	6.00	1.50	5.25
LIBOR (1M)	6.62	4.70	6.07	0.40	3.35

BANK RATES(DEPO/LENDING)	Mkt	Hi/Lo	Mkt	Avg
S/A NPR	6.0/3.5			5.30
F/D 1 YR	7.5/6.0			6.81
OVERDRAFT	15.5/12.5			13.54
TERM LOAN	14.5/13.0			13.49
IMPORT LN	13.0/10.5			11.52
EXPORT LN	13.0/10.0			10.96
MISC LOAN	17.5/13.5			15.13

Oil : OPEC ministers on Sunday agreed to raise oil supply by 800,000 barrels daily in a bid to tame runaway crude prices and avert a consumer scare over fuel bills.

CURRENCY UPDATE

AG/USD	CURRENT *	WK/AGO	%CHG
OIL(Barrel)	32.70	33.38	- 2.08
GOLD(Ounce)	272.80	276.75	- 1.43
GOLD (NPR *)	7150	7150	+ 0.00
EUR	0.8675	0.9004	- 3.65
GBP	1.4190	1.4619	- 2.93
JPY	106.23	105.85	+ 0.36
CHF	1.7804	1.7240	+ 3.27
AUD	0.5575	0.5763	- 3.26
INR	45.59	45.71	- 0.26

*Currency bid prices at 12.45 p.m. on 11/9 - Source Reuters

Currencies : The US dollar enjoyed broader gains against most of the currencies, climbing to multiyear peaks against sterling, Euro and Swiss Franc. The Euro fell to its lowest in its 20 month life as sentiments turned increasingly sour over the single currency's prospect amid conflicting comments from ECB officials. The British pound tumbled to seven-year lows from the effect of the Euro's steep decline, along with expectation that U.K. interest rates had topped out. The dollar stabilized against the Yen after falling initially on news that Japan's April-June gross domestic product grew 1.0 pct from previous quarter, slightly exceeding expectations for 0.7 pct growth.

INDIAN RUPEE OUTLOOK : The Indian rupee traded firm last week as market sentiment on rupee is slightly positive following the OPEC decision and bunched dollar inflows. The rupee is now a little over one percent higher than its lifetime low of 40.08 hit on August 11. However, it is 4.7 percent weaker than its January level. Foreign exchange reserves rose by \$ 17 million to \$ 35.619 billion in the week to September after eight successive weeks of declines.

INTERNATIONAL SUBSCRIPTION RATES FOR NEPALI TIMES

	6 months	1 year
SAARC countries	US\$25	US\$48
Other countries	US\$40	US\$75

Fasten your seat belts

Nepal's domestic airlines are lining up for take-off with a whole new array of aircraft, new routes and more frequency.

A NEPALI TIMES SURVEY

Nepal's airline industry is taking another big leap forward in October as domestic airlines prepare to expand their fleets, giving Nepali passengers and tourists a new range of choice. However, the big question is will they survive the price hike in aviation fuel? And with both our airport aprons and the skies above congested, where is the space for all these new planes?

The industry has passed through its first shakeout after Nepal's domestic sector was deregulated eight years ago. Fly-

by-nights have been weeded out and the airlines that survived like Necon Air and new entrants such as Buddha Air, Mountain Air, Yeti Airways, Shangri-la Airways, Skyline and Cosmic Air show a new confidence in the market.

There are signs of profitability despite low airline tariffs for Nepalis, and domestic carriers are testing out new routes like

Pokhara-Dolpo, and reviving old ones like Pokhara-Bhairawa. New trunk routes have opened up—for instance, Kathmandu-Bhadrapur now has seven daily flights. Some airlines are even thinking of starting Biratnagar-Nepalgunj, Bhadrapur-Pokhara and sunset mountain flights from Pokhara. After all, why should all flights go to overcrowded Kathmandu?

On the equipment side, the airlines are now shifting to aircraft types that are more suitable for their niche markets. Necon Air, which is emerging as Nepal's biggest private sector player, is so impressed with the performance of its

French-made ATR 42 that it is adding two more of this type as it phases out its gas-guzzling and senile Avros. Cosmic Air will be the first airline in Nepal to acquire a SAAB 340 hoping that it will steal the edge on the Beechcrafts of Buddha and Mountain Air. Shangri-la Air is also looking at

SAABs. Yeti Airways tested out a Brazilian-built Embraer last year and is now getting a newer and more fuel-efficient model. Following in Mountain Air and Buddha's success with their Raytheon-Beechcraft 1900s, especially on mountain flights, Cosmic is also looking at the Fairchild Metro as an ideal aircraft for mountain-viewing with its large windows and slim wings.

"The truth is fares are very low and they have not changed for a long time," says Kishor Silwal, deputy general manager at Shangri-la, which is upgrading its three Twin

Otter fleet with two Beech 1900Cs expected to arrive later this month. But, adds Silwal: "The domestic airline business is picking up and we are looking at a bright future."

In a country where flying is not only a luxury but also a supply and communication

lifeline for about 18 of the 75 districts that are still roadless, availability of more air seats and cargo space is in itself a major development. However, most of the domestic airlines find it unprofitable doing non-tourist routes alone and have to subsidise them by flying high-fare sectors like Pokhara, Lukla, Jomsom and Bharatpur. Government rules require airlines to devote 40 percent of their capacity to non-tourist destinations, but even here airlines prefer trunk routes like Bhadrapur, Biratnagar and Bhairawa to the more remote Bajhang, Taplejung or Jumla.

There used to be a time when passengers had to bribe ticketing officials at Royal Nepal Airlines to get seats out of and into Kathmandu. One of the great achievements of deregulation was that supply of air seats finally met the demand for them.

But deregulation had a flip-side. The licensing process is still unclear. The cabinet decides and that's that. The more established airlines complain that the government is issuing licences indiscriminately, and this is shrinking their share of the pie. There are also complaints that some of the newer airlines are circumventing the 40 percent rule on flying non-tourist sectors.

In actual fact, none of the airlines actually take the 40 percent rule seriously, and the government also enforces it only half-heartedly. Given the lack of



clear policy, reports of irregularities surface only when the Civil Aviation Authority of Nepal, the Tourism Ministry and airline operators decide to wash linen in public.

A major grouse of the airlines is the domestic fares that were calculated on the basis of the per hour operating cost of a Twin Otter in the 1980s. (At the present rate even if all the seats on a Simra flight are sold, it will not make money.) That is why most airlines have to depend on tourist routes, and the much higher tariffs that foreigners pay, which is up to 20 times more than what Nepalis or Indians are charged in routes like Lukla-Kathmandu or Jomsom-Pokhara.

Theoretically, the government fixes fares but it also allows airlines the freedom to play around plus-minus 30 percent and compete. Regardless of that provision, Buddha Air's Birendra Basnet says airlines should be allowed to set their own fares: "After all, if passengers decide not to fly because



the fares are too high, it will be the airline that suffers."

Agrees Bijaya Shrestha of Yeti Airways: "There may be deregulation, but we don't have the freedom to set our own fares." Still, with four Twin Otters and three Embraer EMB-120s arriving soon, Yeti is set to be the private domestic airline with the largest fleet.

There are now 30 domestic airlines registered and the new

planes parked wingtip to wingtip. Aircraft movement at the morning peak hour is now approaching 50 flights between 7 and 10 in the morning. Pokhara and Lukla airports are often closed with "Parking Full" signs during the peak tourist season, and planes have to circle while waiting to land. The government is now thinking of giving parking quotas to airlines, and already requires airlines to use Bhairawa and Nepalgunj as overnight parking airports.

The warning signs on congestion are already there: two weeks ago a Necon Air Avro flying in from Pokhara hit a battery charger in Kathmandu and narrowly escaped disaster. In early August there was a near-miss incident when two airliners with a total of 38 passengers nearly collided at 24,000 ft while on a sight-seeing flight near Mt Everest. Aviation

From top: An EMB 120 in Yeti Airways' livery on a mountain flight; Cosmic's new SAAB 340; Mountain Air's Beech 1900C; and parking problem at Lukla.

sources expect a record of 25 flights every morning to Mt Everest this season. Spacing the planes on the outbound and inbound legs is going to be tricky since the airport's radar has a monitoring range of only 45 miles. Airlines have now agreed to new one-way traffic rules for high-density routes like Mt Everest, Pokhara and Lukla.

Despite all the problems, competition among the new private airlines has benefited passengers. A price war in the past three months brought down off-season fares by up to 30 percent; airlines are vying with each other with better in-flight service, frequent flyer offers, and even lottery prizes and free ticket bonanzas. ♦

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WHO'S GOT HOW MANY?

	Present fleet	Ordered
Royal Nepal Airlines	HS-748 (Avro) 1	
	Twin Otter 5	
Necon Air	ATR 42 1	ATR 42 (2)
	HS 748 (Avro) 3	
	Cessna Skywagon 1	
Buddha Air	Beech 1900D 4	
Gorkha Airlines	Dornier 228 2	
Cosmic Air	Dornier 228 2	SAAB 340 (2)
	Metro (1)	
Yeti Airlines	Twin Otter 4	EMB 120 (3)
Mountain Air	Beech 1900C 2	
Flight Care	Y-12 2	
Shangri-la Air	Twin Otter 3	Beech1900C (2)
Skyline Airlines	Twin Otter 2	SAAB 340 (2)
Total	32	12



The southwest face of Everest with the ridge down which Karnicar plans to ski seen top right.

A descent of M

Climbers are running out of records to break on Mt Everest. This autumn, a climber will be trying to carry out the fastest descent of the mountain—on skis! Other expeditions.

RAMYATA LIMBU

When Davo Karnicar reaches the summit of Everest this autumn it will only be a job half done. That is because the Slovenian mountaineer will be climbing to the top of the world only to ski down to base camp: a vertical drop of more than 3.5 km.

His is not the first attempt to ski the Everest slopes. Back in 1970, Japanese climber Yuichiro Miura made history when he took off from near the South Col in a straight run, unfurling a parachute to brake his fall. Nearly a quarter century later, in 1992, Frenchman Pierre Tardivel did even better when he skied from just below the summit. The top 100m of Everest, however, remains untested by skiers and Karnicar is hoping it will not remain so for long.

Karnicar's biggest challenge will be negotiating the Hillary Step, a rocky outcrop below the summit. But the supremely fit-looking climber-skier was unfazed when he talked to us a day after his arrival in Kathmandu. "I want to do it at this moment. My life is climbing and skiing. I'm really good at this," said he, who

knows that the slightest miscalculation can send him plunging down the Kangshung face or into the Western Cwm. "I need a clear head on top. I know I can do it. I need to concentrate."

Karnicar's Himalayan Expedition headed off for Base Camp earlier this month, and every move he makes on his skis will be broadcast live on the Internet through a satellite hookup www.everest.simobil.si/eng/target.asp.

The Everest effort is the third in an 'extreme skiing trilogy', which began in April when the 37-year-old skied down the 2,864m Triglav, Slovenia's highest mountain, in rather bad snow conditions. Then, on 23 May along with brother Drejc, Karnicar skied down the 4,807m Mont Blanc, the highest peak in the Alps. Karnicar's descents from Triglav and Mont Blanc have allowed him to test climbing, skiing and filming gear. But he is aware that Everest poses challenges of a different kind: the vertical drop and the altitude.

Karnicar was a member of the Yugoslav skiing team between 1975-1982. Since he began climbing 20 years ago, he

has more than 1,200 alpine climbs and ski descents to his credit, including being the first Slovenian to ski down an iced waterfall. Back home, he is head of the Jezersko Mountaineering and Skiing School and president of the Jezersko Tourist Association.

The father of four belongs to a well-known mountaineering family, and says he feels his parents, children, brother, sister and wife, are always with him, cheering him on. "Once we get to Base Camp, I need to acclimatise, go up and down the mountain," says the skier. "In the final run from top to bottom, I might have to break between skiing runs because I'll need oxygen."

In 1995, Karnicar skied down Annapurna I. The next year he made an attempt to ski the northern side of Everest, but had to give up due to a heavy storm on his way up. He also lost two fingers due to frostbite during that trip. (Also on the mountain at the same time was Italian Hans Kammerlander attempting the same feat. But due to lack of snow on the slopes Kammerlander had to climb down.)

Inevitably a lot of people ask

Suddenly something large and dark stepped out ahead of him

Famous Tyrolean mountaineer Reinhold Messner has chased summits all his life. Few people knew that he also chased yetis in the Himalaya. Read all about it in his new book.

SAM WOLLASTON

Reinhold Messner bumped into his first yeti somewhere in Tibet. It was 1986, and he had gone for a walk on his own and got a bit lost. A walk for Reinhold Messner is not what most people mean by a

walk. On this one he was trying to follow a route taken by Sherpas centuries ago in their flight from the lands of Dege to Lhasa. That's a walk of about 1,200 miles.

It was dusk; he was climbing a steep, densely vegetated slope. Suddenly something large and

dark stepped out ahead of him. He watched it racing along in front, flitting in and out of the trees, upright like a man, but moving faster than any man could. Neither branches nor ditches slowed it down. At one point it stood motionless only 10 yards away, then disappeared.

He saw it again, later that night, running in the moonlight. It looked more than seven feet tall and immensely strong, but agile too. Covered in hair, with short legs and long, powerful arms, it made angry hissing noises, and for a second he saw its eyes and teeth before it ran off into the trees.

After his encounter with the strange beast, Messner became obsessed. He spent a large part of the following 12 years chasing yetis round the Himalaya—

Pakistan, Nepal, Bhutan, India, Mongolia, Kazakhstan—trying to get to the bottom of a myth that has been around since Alexander the Great heard of them when he went to conquer the Indus valley in 326 BC. Now he thinks he has solved the mystery, and has written a book about it.

The German-speaking Tyrolean Italian is probably the greatest mountaineer alive. He was the first man to climb all 14 of the 8,000m mountains, a feat impressive in itself, but more so because he did it without oxygen. In 1980, when attempts on Everest still relied on armies of Sherpas and equipment, Messner went up on his own. His single-minded passion for climbing has survived the loss of one of his brothers and all but three of his toes. And it is with

that same single-minded determination that he has solved the yeti mystery.

We meet in the highly inappropriate surroundings of the European parliament building in Brussels, as Messner is now an MEP, albeit a slightly reluctant one. His office is down a long, grey, confusingly numbered corridor. He looks out of place and a little unhappy among all that bureaucracy. There are no books on the shelves and the view from the window is over another part of the same building. "I am not building up a political career. I will not run again. The Greens came to me. They came three times. The first two times I said no."

Messner's eyes have that wild look possessed only by people who do mad things. He has a mane and beard of straggly, rusty red hair. He still looks strong, but agile... actually, pretty much exactly like a yeti, though a bit shorter. And he probably doesn't throw rocks at people, or abduct women but I didn't dare ask. "Before 1986 I

wrote in my books the yeti is bullshit. But then when I have seen this big animal, which I could not see exactly what it was, I understood that it was exactly matching with the legend."

Messner says "bullshit" a lot—not as an expletive, just as a way of saying something is wrong. I don't believe Messner often thinks he himself is wrong. Frequently, he does not really answer questions, or even hear them, but just ploughs on stubbornly. I guess that is what got him up all those mountains. He becomes animated and excited when talking about yetis and mountains in a way he had not when we had been discussing globalisation and the European Union.

After 12 years of research and more than 20 trips to the Himalaya, scouring monasteries for relics and eventually seeing more "yetis" for himself in Lhasa and the Karakorum, Messner's conclusion is a little disappointing. The yeti does not exist. It is "bullshit", he would say, and does. There is no human-like abominable



It Everest

Karnicar why do you do it? He has tried to answer the question in his book, *Mountaineering, Self-Love, Love*. He says: "I want to do something in my life. Not just live in the world for 80 years. Each day I live I must make something of it. Each hour is important."

If Karnicar succeeds, his achievement will add to the lengthening list of Everest firsts:

in 1988 Frenchman Jean-Marc Boivin used para-gliding equipment to jump off from near the top and landed on the Western Cwm in just 11 minutes; an American team ballooned over the summit in 1991; and this spring, Nepal's own Appa Sherpa reached the top for the 11th time, just doing his job—seeing his clients safely up and down the mountain—said the modest Sherpa. ♦

HOW MUCH \$\$ DO WE EARN?

Nepal earned barely Rs 500,000 from climbing royalty in 1979, 20 years later it earned nearly Rs 100 million. Total money spent by expeditions in Nepal also went up from Rs 11 million to Rs 382 million during the same period.

But with the exception of a few regions like the Annapurna Conservation Area in west Nepal and the Khumbu in the east, revenue is rarely channelled back to the villages. "Tourism revenue should be shared with the area for which it is charged. With half the royalty the government collects for the Khumbu mountains, the area would need no outside help for cleaning the garbage and the place could become a piece of

Austria or Switzerland," argued social scientist and former tourism minister, Harka Gurung, at a recent conference.

Pakistani climber and tourism entrepreneur Nazir Sabir goes a step further, "Countries like Nepal, Pakistan in the Himalaya should go for zero royalty...it will encourage more expeditions to come, and it is the mountain communities which will benefit."

"Mountains have become our cash cows," says Tashi Jangbu Sherpa, President of the Nepal Mountaineering Association. "We milk them for all they are worth. But we haven't begun to plough the money back to the people living in those mountain areas."



Jean-Marc Boivin floats down from the top of Everest and Pierre Tardivel making his descent on skis.



EVEREST: ADVENTURER AND THAGOENAN BERG DER BERGE

Autumn climbing season

Compared to the spring when there were nearly 20 expeditions jostling for space at the Everest Base Camp, this season there are only five teams: Karnicar's Slovenian, and four South Korean groups making attempts on Lhotse and Everest. So things will be quieter. Other Slovenian teams will be attempting Annapurna III and Pathivara. Three joint Slovenian/Nepal teams will attempt Dorje Lhakpa, Jongsang and Kiratchuli.

Another Korean team will attempt 8201m Cho-Oyu, and

a student's alpine team will test their skills on Dhaulagiri (8167m). So far Nepal's Ministry of Culture and Tourism and Civil Aviation has issued permits to 34 teams from 15 countries to climb 20 different peaks this autumn. Four teams, including an all-women's expedition from Sweden, have been permitted to climb Baruntse, three teams each will attempt Ama Dablam and Lhotse, two teams each have been permitted to climb Cho-Oyu, Dhaulagiri, Kumbhakarna, Tilicho and Putha Hiunchuli. Climbers from Japan,

Slovenia, Spain, the Czech Republic, Russia, Japan, Slovenia, and Britain will be attempting Annapurna I, Annapurna III, Chamar, Dorje Lakpa, Himlung, Jongsang, Kangchendzonga, Lang Shisha Ri, Lhotse Sar, Pathivara and Kiratchuli. "By the end of autumn we expect the list to be longer. Probably over 60 teams, the same as last year," says Ganesh Raj Karki, head of the Mountaineering Section at the Ministry of Tourism and Civil Aviation. "Applications for permits are still coming in,

especially for popular peaks like Ama Dablam." A seasonal sport, more than 50 percent of all expeditions come to Nepal in autumn—September to November. About a third come during April-June. Less than 10 percent come in winter. The Tourism Ministry, in consultation with Tribhuvan University's Geography Department, is planning to open up new climbing peaks from Spring 2001 and to simplify the process of applying for permits. "We want to attract climbers to virgin peaks, mainly in the west, to balance the regional disparity," says Karki.

Yeti or Messner? On the summit in 1980 after the first solo climb of Mt Everest and resting after his climb (below, left).



snowman living in the mountains. The yeti is in fact a Himalayan brown bear. "In the end I thought to myself: how could I need 12 years to come to the answer? It's so obvious."

Is he not disappointed? "Not for me. Because the brown bear is really a monster." What about for the people who live in the Himalaya and have lived with this legend for hundreds of years? "In the local areas they know all that—that this is an animal. But since only every 10 years someone is seeing a real example, so if they speak about

it, all the children and normal people that never saw one, they are imagining they are talking about something that isn't a brown bear. We should see the yeti as the sum of the legend and the zoological reality."

Messner is not the first person to realise that the yeti is nothing more than a bear. Ernst Schafer, who in 1939 headed a secret mission sponsored by the German Reich to incite the

Messner's eyes have that wild look possessed only by people who do mad things. He has a mane and beard of straggly, rusty red hair. He still looks strong, but agile... actually, pretty much exactly like a yeti, though a bit shorter.

Tibetan army against the British, came to the same conclusion. He wrote to tell Messner this before he died in 1992. Messner recalls an encounter Schafer had with a yeti. "The local people is saying to him, 'Up there in the mountains is a yeti, living in a cave,' and he says, 'Bullshit,' and he goes up with his gun and he is killing it. And he has a big Tibet bear."

Both Sir Edmund Hillary and the Dalai Lama, says

Messner, agree that the yeti is just a bear. So what about all those famous footprints of huge two-legged creatures in the snow? Messner shows me with his hands how a bear might walk on all fours, but with its back feet going into the prints of the front feet to make bigger prints which would appear to be of a two-legged animal.

It is not just the yeti myth that Messner has the answer to. Messner knows that George Mallory did not reach the summit of Everest—because of where his body was found and the shoes he was wearing. "The second step with these shoes is impossible. He could not have done it."

"But most of the people in their books, they say probably he was up, because this is selling much better. If you say it was impossible he was at the summit nobody is interested."

Messner may have the same problem with the yeti book. He has done a few lectures but has not had the turnout he hoped for. "A lot of people said, 'I'm not coming for a bear.' I would have much more success if it had been the other way round—if I'd claimed that it is some big human-like creature. But this is not the answer." (*The Guardian*)

My Quest for the Yeti is published by Macmillan.

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For Indian nerds and geeks, it is not "Yankee, go home", but "Yankees, here we come".

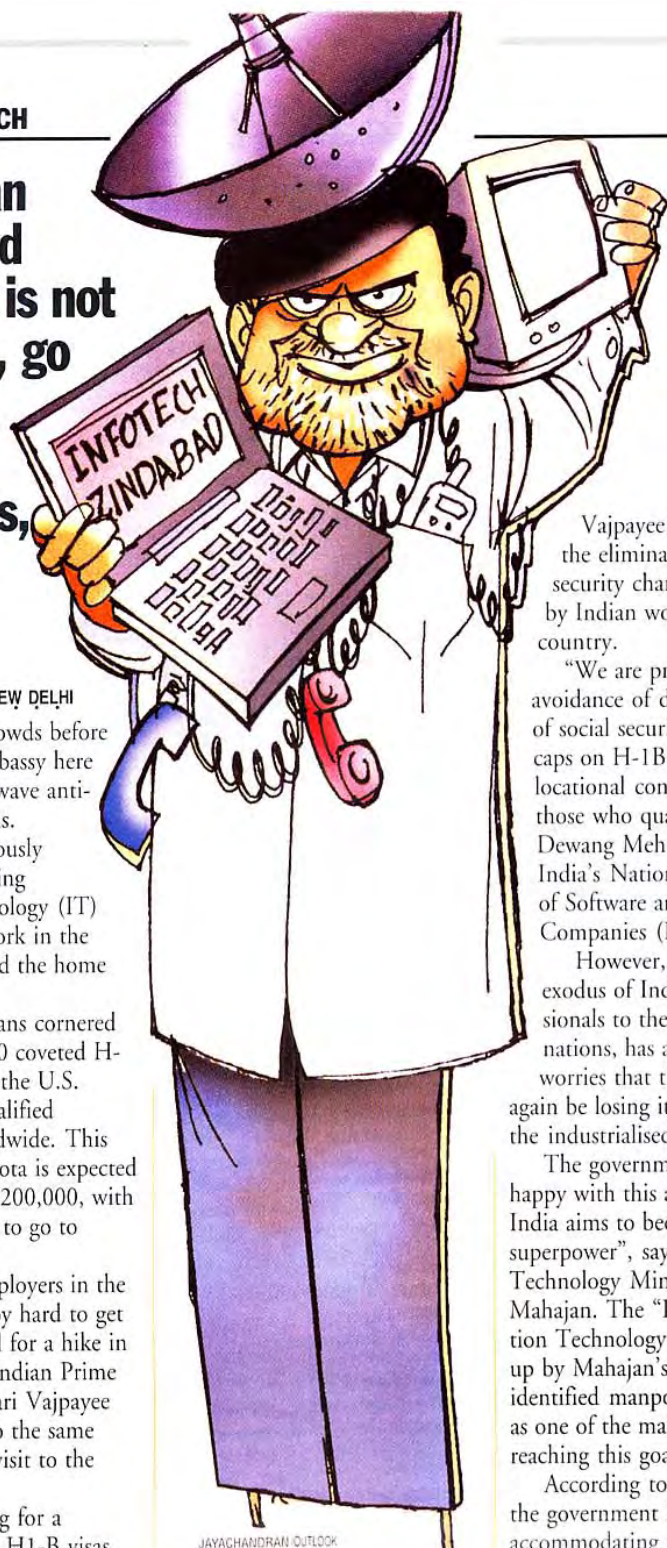
RANJIT DEVRAJ IN NEW DELHI

The large crowds before the US embassy here no longer wave anti-imperialist placards. Instead, they anxiously clutch proof of being information technology (IT) experts, seeking work in the land of the free and the home of the brave.

Last year, Indians cornered half of the 115,000 coveted H-1B visas issued by the U.S. government to qualified professionals worldwide. This year, the H-1B quota is expected to be increased to 200,000, with half of these likely to go to Indian 'techies'.

Even as IT employers in the United States lobby hard to get legislative approval for a hike in the H-1B quota, Indian Prime Minister Atal Bihari Vajpayee was expected to do the same during his recent visit to the United States.

Besides pressing for a substantial hike in H-1B visas,



JAYACHANDRAN OUTLOOK

Vajpayee was also to seek the elimination of social security charges now paid by Indian workers in that country.

"We are pressing for avoidance of double payment of social security, removal of caps on H-1B visas and locational constraints on those who qualify," said Dewang Mehta, president of India's National Association of Software and Service Companies (NASSCOM).

However, the growing exodus of Indian IT professionals to the US and other nations, has also led to worries that the country may again be losing its best talent to the industrialised countries.

The government is not happy with this at a time when India aims to become an "IT superpower", says Information Technology Minister Pramod Mahajan. The "India Information Technology Task Force" set up by Mahajan's ministry, has identified manpower shortages as one of the main hurdles to reaching this goal.

According to Mahajan, while the government has been accommodating so far in

India worried about exodus of experts

allowing IT professionals to seek lucrative jobs abroad, it cannot let the exodus continue. But it may be too late, says Gurunandan Bhat who helped set up the government's Advanced Centre for Informatics. "Nothing was done to make it attractive stay back," Bhat said.

Bhat says Indian IT professionals are successful in the West not so much because of their expertise, but because they are simply good immigrants. "Put an immigrant Indian on foreign soil and he becomes a diligent, hardworking and useful employee," he pointed out.

Indian IT experts also become successful entrepreneurs abroad because they "suddenly find themselves in a refreshingly different environment in which they are free of unfair and unrealistic government regulations and a corrupt system," he added. The only check on the outflow of Indian IT experts is being provided by transnational corporations, which are setting up shop in the big Indian cities.

The two southern cities of Hyderabad and Bangalore have become major global IT hubs. Microsoft chief Bill Gates, visiting

India last week, said he opened a Microsoft development centre in Hyderabad because he saw great potential in India.

"India is now second only to the US in the number of Microsoft-certified professionals and I think that's great in terms of pure talent available here," Gates said.

According to Ramesh Mashelkar, director general of the Council for Scientific and Industrial Research (CSIR), which control more than 40 premier research institutions in the country, "India has the potential to become the remote processing country for the world." However, industry observers expect the number of IT professionals leaving the country to grow as more industrialised nations seek Indian expertise in the field.

During his August visit to India, Japanese Prime Minister Yoshiro Mori promised relaxation of his country's tight immigration rules for Indian IT experts. Wooing Indian professionals, German IT companies are offering them everything, right down to vegetarian food, if they take advantage of Chancellor

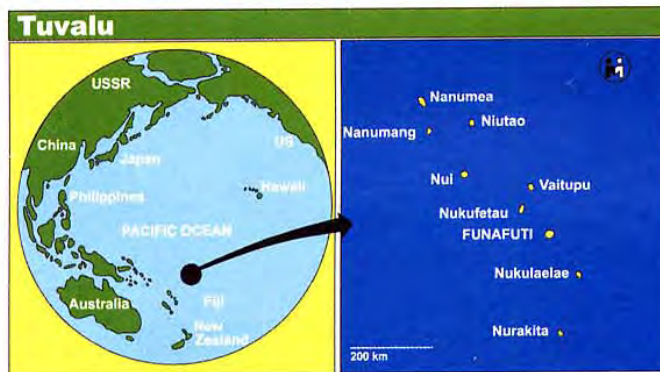
Gerhard Schroeder's scheme of 20,000 work permits for foreign IT experts.

But Indian professionals, familiar with the English language and put off by stories of racism in Germany and Japan, prefer to work, and perhaps eventually settle, in the United States. "The US is still the land of opportunity," said Ramesh Gulati, an electronic engineering graduate from the premier Indian Institute of Technology (IIT).

Gulati, who had found a job in that country, said he always wanted to go to the United States, but failed in his last attempt to get there on a student visa. "Things look different now and I would still like to try my hand at being an entrepreneur once there," he said.

Gulati has been inspired by success stories of Indians who floated their own IT ventures in the United States. His hero is Sabeer Bhatia, the man who started the popular Internet email service "Hotmail" on borrowed money, before selling it to Microsoft for a reported \$400 million dollars. ♦ (IPS)

Tuvalu.com.tv



Tiny Tuvalu, a tiny speck of an island in the Pacific, may have struck it rich, because its Internet country code is a symbol just about everyone in the world knows—TV.

worst-case scenario—if sea levels rise dangerously—the country could disappear under the waves. From time to time its politicians raise these worries on the international stage.

In February Prime Minister Ionatana Ionatana asked New Zealand Prime Minister Helen

Clark whether one-third of Tuvalu's population of 10,000 could be resettled in New Zealand if the islands became uninhabitable.

Tuvalu's voice is understandably tiny, but joining the UN and sitting at the Commonwealth's top table could raise its profile. It is a problem in common with many other small countries, which have neither the resources nor the people to make enough impact on the world scene. For such states wealthier Commonwealth countries such as Australia and Britain fund a Commonwealth Small States Office in New York where nine countries share facilities. Tuvalu is expected to join it.

Tuvalu is the formerly Ellice in the British colony of the Gilbert and Ellice Islands. (The Gilberts are now the independent country of Kiribati.) Education is free and compulsory for seven years—age 7 to 14. It has 12 primary schools with 2,000 pupils and 70 teachers and two secondary schools with 350 pupils and 30 teachers.

Not everyone is sure dot.com is going to be the salvation of poor small states. James Korris, executive director of the University of Southern California's Entertainment Technology Centre, says: "What people have got used to saying, hearing and typing is dot.com. For most, dot.com means a Web address. With all due respect to the people of Tuvalu, I'm not sure it's an idea that's going to take." ♦ (Gemini News and The Observer)

What's in a name? In this cyberspace age, one poor and tiny country has suddenly found the answer may be: quite a lot. No two letters in today's world are more omnipresent than TV.

And "tv" is the Internet country code for Tuvalu, newest and 189th member of the United Nations and the latest country to become a full member of the Commonwealth. Tuvalu recently sold the use of its country code to a California-based company called DotTV for \$50 million for the next 10 years. This will treble national income, a significant increase for a country which so far exported only fish and coconut butter.

DotTV has already sold the rights of many Web addresses ending in ".tv" to companies setting up internet television stations—such as basketball.tv (\$30,000), china.tv (\$100,000) and even sexy.tv (\$25,000). Or try wet-chicks.tv (\$50). "It's the most recognisable two-letter symbol on the planet. When you marry dot with TV you become something very meaningful on the Internet," said DotTV chief Lou Kerner.

Tuvalu—it means "eight standing together"—is a group of nine atolls south of the Equator in the western Pacific, halfway between Australia and Hawaii. One is uninhabited and barely above water. The others are so low-lying that the highest point in the country is only 4.5 metres above sea level.

Tuvalu lives in fear of global warming. In a



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Iraq's water was deliberately hit by bombers

A decade after the Gulf War, Iraq is still fighting a deadly legacy of water contamination, disease, pollution and withered crops. Its water supply system was deliberately targeted by the multinational coalition.

FELICITY ARBUTHNOT IN LONDON

A recently declassified US intelligence document shows that American-led forces during the Gulf War targeted Iraq's water system with full knowledge of the terrible consequences to civilians.

The destruction of Iraq's vital water infrastructure was so complete that nearly a decade after the war ended, Iraqis are still fighting its deadly legacy—a situation further exacerbated by a crippling United Nations embargo. Thomas J. Nagy, a professor at George Washington University in the United States, has obtained a US Defence Intelligence Agency document, declassified in July, which was issued the day after coalition forces started an air attack on Iraqi strategic targets on 16-17 Jan 1991. The seven-page memo, *Iraq Water Treatment Vulnerabilities as of 18th January, 1991—Key Judgements*, was circulated to all major US and NATO forces operating in the Gulf.

Iraq is fully dependent on its rivers for water. The Tigris and Euphrates feed half of the country's land, including urban and industrial areas. The water from these, and other rivers, is saturated with bacteria, pollutants, minerals and salts and must be purified with chlorine to prevent epidemics of cholera, hepatitis and typhoid.

The military document notes Iraq's dependence on imported specialised equipment and purification chemicals to treat the water. "Failing to secure supplies will result in a shortage of pure drinking water for much of the population," the document says. "This could lead to increased incidents, if not epidemics, of disease and certain pure-water dependent industries becoming incapacitated, including petrochemicals, fertilisers, petroleum, refining, electronics, pharmaceuticals, food processing,

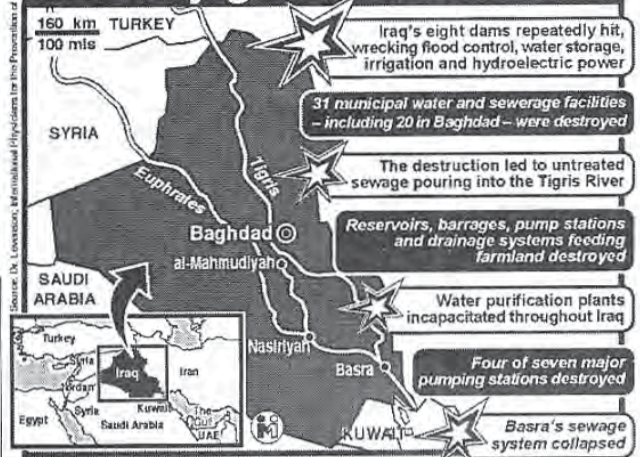
textiles, concrete construction and thermal power plants."

The document also predicted that Iraq might seek an exemption for water-related supplies from economic sanctions, first imposed by the United Nations on 6 August 1990 in response to Iraq's invasion of Kuwait four days earlier.

"Iraq could try convincing the UN or individual countries to exempt water treatment supplies for humanitarian reasons," it says. "If such attempts fail, Iraqi resources are not adequate for their national requirements." The document foreshadows the destruction wreaked upon Iraq's water system during the Gulf War. Dr David Levenson of the lobby group International Physicians for the Prevention of Nuclear War revealed the destruction of Iraq's water system while visiting the region immediately after the conflict. Iraq's eight dams had been repeatedly hit, wrecking flood control, municipal and industrial water storage, irrigation and hydroelectric power. Four of seven major pumping stations were destroyed. Water purification plants were incapacitated throughout Iraq. Thirty-one municipal water and sewerage facilities, including 20 in Baghdad, were destroyed, resulting in sewage pouring into the Tigris. The sewage system in Iraq's Basra province collapsed. Levenson estimated that tens of thousands of the estimated 200,000 Iraqi casualties of the Gulf War died from drinking contaminated water.

"For many weeks people in Baghdad—without television, radio, or newspapers to warn them—brought their drinking water from the Tigris in buckets," he said. Agriculture was also destroyed. Half of Iraq's agricultural production came from irrigated farmland and, Levenson reported, every system feeding it was attacked,

Iraq: a watery grave



including storage dams, barrages, pump stations and drainage systems. The inability to flood or drain land halved production and caused widespread saltwater contamination in farmland in the Basra province. Food storage facilities were also destroyed.

The US document concludes: "Full degradation of the water treatment system will probably take at least another six months." Now Nagy is taking the document to the US House of Representatives and convening expert hearings that will consider whether those responsible can be criminally indicted under international law.

Article 54 of the UN Geneva Convention states: "It is prohibited to attack, destroy or render useless objects indispensable to the survival of the civilian population," including foodstuffs, livestock and drinking water supplies and irrigation works. Those who saw nothing wrong in producing [the document], those who ordered its production and those who knew about it and have remained silent for 10 years would seem to be in violation of federal statute and perhaps have even conspired to commit genocide," Nagy argues. Ten years after the Gulf War, efforts to restore Iraq's water system are hampered by the UN embargo—despite a growing epidemic of waterborne diseases such as hepatitis, cholera and polio. Iraq's Health Ministry says that more than 10,000 people died in July of embargo-related causes, including 7,457 children—diarrhoeal diseases are one of the prime conditions—compared to 378

child deaths in July 1989. The UN Children's Fund notes that an Iraqi child with dysentery in 1990 had a one in 600 chance of dying; in 1999 it was one in 50. Iraq's chlorine supply, which is imported, is embargoed.

US Congressman Tony Hall, who in April became the first American official to visit Iraq after the Gulf War, is troubled by the deterioration of the water supply and sanitation systems and its effects on children's health.

"I share UNICEF's concerns about the profound effects of increasing deterioration of Iraq's water supply and sanitation systems on its children's health," Hall wrote in a letter to US Secretary of State Madeleine Albright. "The prime killer of children under five years of age—diarrhoeal diseases—has reached epidemic proportions and they now strike four times more often than they did in 1990."

Hall is urging his government to lift holds on 18 contracts for purification chemicals, chlorinators, chemical dosing pumps, water tankers and other equipment. "Holds on contracts for the water and sanitation sector are a prime reason for the increases in sickness and death," Hall wrote. Hall maintains that lifting sanctions would be irresponsible but argues that a better approach by the UN Sanctions Committee is needed to allow humanitarian goods to reach Iraqi civilians. Iraq has allocated \$3.5 billion for water, sanitation and electricity purchases, yet less than 10 percent of the supplies has been delivered, Iraq Trade Minister Muhammed Mahdi Salah said in August. ♦

(Gentini News)

Chines rescues 110,000 women

BEIJING - Police in China have rescued 110,000 women and 13,000 children in a six-month campaign against human trafficking. The women were usually abducted to be sold for marriage or prostitution, and the children were often sold to childless couples, the official *China Daily* said.

New technology and tougher policing had helped the campaign succeed, Minister of Public Security Jia Chunwang said. The ministry presented awards to several police forces last week for their work in the campaign, which began in April, the newspaper said. In Zunyi, in southwest China's Guizhou province, police broke a kidnapping ring which had abducted and sexually abused 84 women and children, it said.

A traditional preference for boys and limits on childbirth imposed by China's one-child policy have led to abortion of female fetuses and even female infanticide. The resulting gender imbalance fuels trafficking in women, prostitution and other social problems. Huangniwa town, in northeast China's Liaoning province, registered more than three times as many male births as female births from 1992-1999, the *Legal Digest* reported last month. The town's 306.9:100 male-female birth ratio resulted mainly from abortions following illegal ultrasound scans, the newspaper said. (dpa)

Thai police nab human smugglers

BANGKOK - Police are continuing the search for members of human smuggling gangs following a shootout last week that left one suspected smuggler dead. The dead was a Pakistani suspect identified as Akbar Shah after he resisted arrest and fired at them. Police have been watching several Pakistanis, Singaporeans and Thais suspected of being members of the same gang, Deputy Immigration Police Chief Major General Charnwut Watcharapuk said.

Called the Luk Pae "Kid" Gang, they are suspected of providing counterfeit passports and smuggling people to third countries, mostly to the United States, Japan, Europe and South Korea. Most of the people smuggled arrive in Thailand on tourist visas from India, Pakistan, Bangladesh and Sri Lanka. They are paying as much as \$25,000 for fake documents and travel arrangements to find jobs in the industrialised countries. The Kid Gang has international connections and is willing to pay large sums to government officials to win them over, Police Major General Thepparat Rattanavanich said. (dpa)

Indonesia power struggle



JAKARTA - With the arrest of ex-dictator Suharto's youngest son Tommy, the power struggle between the ousted leader and the advocates of a democratic and reformed Indonesia has entered a new phase.

Hitherto, the democratically-elected president, Abdurrahman Wahid has contented himself with talk of the "forces of evil", which he claims are planning the country's demise and spreading unrest in places such as Ambon, Timor and Jakarta. It was always clear that he meant people connected to Suharto: former generals, business people who had amassed large fortunes during his era, and of course the Suharto clan itself. Names, though, were never mentioned. Now, after the carnage caused by a bomb at the Jakarta stock exchange last week, Wahid has shaken off his reluctance and named a man from the old ruler's inner circle.

Tommy Suharto—or Hutomo Mandala Putra, to give him his rightful name—was born in 1962 and is without doubt the one member of the Suharto family who exploited his position to the full. A master at picking up privileges and monopolies, he earned over 500 million dollars a year in the 1990s. Tommy was the quintessence of "KKN"—the system of "korupsi, kollusi, nepotisme" that was the dictatorship's trademark.

The president's no-nonsense handling of Tommy Suharto in effect throws down the gauntlet to the Suharto clan, a much more dangerous undertaking than the current trial against the dictator himself, the insipid and ponderous farce that that is. It remains to be seen what arsenal of countermeasures the Suharto clique come up with in answer. (Sueddeutsche Zeitung)

Thai AIDS policy criticised

BANGKOK - The World Bank criticised Thailand's anti-HIV AIDS campaign, noting that recent budget cuts have undermined preventative and care measures and could lead to a resurgence of the epidemic. "The low level and recent declines in public spending on AIDS prevention are alarming," said the World Bank report, which will be officially released next month. In particular, the report highlighted the decline in use of condoms, particularly among young men who visit sex workers. The report's findings undermine Thailand's international reputation as one of the few countries in Asia to have systematically confronted the pandemic scourge over the past decade.

"We had been moving on well in the past few years, but it seems as we're now tripping," said senator Mechai Viravaidya, Thailand's well-known anti-AIDS campaigner. It is estimated that as many as one million Thais are infected by HIV. While Thailand's anti-HIV AIDS campaign of the past decade made progress in reducing the number of new HIV cases in the commercial sex industry and intravenous drug users, the epidemic threatens a come back because of lack of follow-through in several sectors, such as promoting the use of condoms. (dpa)

Economic growth alone won't end poverty

WASHINGTON - In a shift from the World Bank's previously held position the institution's latest World Development Report says that economic growth is crucial, but often not sufficient to create conditions that end poverty.

The 2000-2001 World Development Report (WDR), titled "Attacking Poverty" emphasises three areas—opportunity, empowerment, and security—as pivotal to poverty

reduction alongside the macro-economic policies that the Bretton Woods institutions have been pushing globally as the panacea to poverty.

Bank President James Wolfensohn says the new report, released 12 September, attempts to expand the understanding of poverty and "builds on our past thinking and strategy and substantially broadens and deepens what we think is necessary to meet the challenge

of reducing poverty."

The view within the Bretton Woods institutions is that poverty does not only mean low incomes and low consumption rates, but also lack of education, poor nutrition and health. The new view now incorporates powerlessness, voicelessness, vulnerability and fear as aspects of poverty.

"These different dimensions of poverty interact in important ways," says World Bank Chief Economist and Senior Vice

President, Nicholas Stern. "We know that economic growth is crucial to sustained poverty reduction. But we also recognise the fundamental role of institutional and social change to the strength of development processes and the inclusion of poor people."

WDR also urges developed countries to open up their markets to nations of the South and promote the production of public goods that benefit poor people such as vaccines for tropical diseases and agricultural research, combating HIV/AIDS and enhancing global financial stability. (IPS)

The real reason oil prices went up

There are factors other than OPEC which decide oil prices, such as the high consumption habits of people in affluent countries.

With oil prices hovering above \$35 a barrel, the highest in a decade, creating a mini-crisis in the West, world attention has focused once again on the Organisation of Petroleum Exporting Countries (OPEC). But is OPEC responsible for the price hike? Or does the primary blame lie with those petrol-guzzling Western nations, led by the United States, which have shown little or no desire to adopt effective energy-saving measures?

Despite all the protests, world petroleum prices, when adjusted for inflation, are actually lower today than they were during the 1973-74 oil crisis. "Cheap oil has discouraged the US from adopting effective energy conservation measures that would change gas-guzzling habits of Americans," says Saudi Arabian oil minister, Ali al Naimi.

Indeed, when angry civilian protestors in Britain blockaded petroleum deliveries across the country to protest high oil prices at the beginning of September, one of the first results was a big increase the number of people using public transport such as underground railway.

It is a misconception that the 11-member OPEC, producing about a third of the global output, is primarily responsible for fixing the price of oil. It is ultimately the nimble oil traders who, judging the balance between demand and supply and the size of oil stocks worldwide, determine the price, which varies from day to day.

What OPEC does is to raise

or lower its aggregate output every quarter in the light of world demand. Though this has price-influencing potential, sometimes its decisions achieve the desired results, at other times not. OPEC's stated desired aim is to see the price of oil range between \$22 and \$28 per barrel. But its decisions are often taken with other factors in mind. The results can be disastrous.

size of stocks in the leading consumer countries.

Over the past 18 months, as the world has witnessed strong economic growth all the way from the United States to South Korea, demand has risen. Global consumption is expected to increase from 73.2 million barrels per day (bpd) in 1999 to 76 million bpd this year.

Therefore all producers, whether belonging to OPEC or not, have

Riyadh to increase its oil supply but, with the memory of 1997 still fresh, the Saudis refused to break ranks.

How long it can hold out is a subject of speculation—at over 11 million bpd, the US imports nearly 60 percent of its oil. It is by far the largest petroleum importer on the planet. With less than five percent of the world population, the country consumes 25 percent of the global oil output.

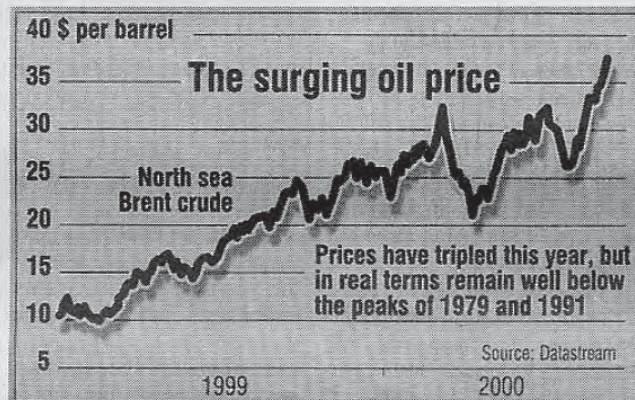
With winter approaching, the size of oil stocks in America is set to become a key factor in oil prices. According to the American Petroleum Institute, US crude oil stocks in July stood at 286 million barrels—a fortnight's supply and 10 percent below the level of last July.

Its stocks of distillates, used for domestic heating oil and diesel fuel, were 112 million barrels—about a fifth lower than a year ago. More alarmingly, the inventories in the six north-eastern states of America collectively known as New England, which experienced heating oil shortages last winter, were 60 percent below last year's mark.

In the words of Steven Strongin, oil research director of Goldman Sachs brokerage house, "We will see the current situation continuing until either a surge in new drilling produces significant new oil supplies or until some event triggers a global recession." ♦

(Gemini News)

(Dilip Hiro is a London-based journalist and author of *Dictionary Of The Middle East*.)



The most extreme example came four months after the economic meltdown in Asia in July 1997. Demand for oil at the time was low, but OPEC took the surprising decision to raise its output by 10 percent, thus creating a glut. This was said to be because of pressure from Saudi Arabia, which in turn was responding to US lobbying. As a result the oil price more than halved from \$20 a barrel to below \$10 in a year.

As it is, petroleum is a very volatile commodity. In the words of a veteran oil trader, if supply exceeds or falls short of demand by just one barrel, the price goes down or up. What also determines the price is the

been operating at almost full capacity.

Within OPEC the only member which has spare capacity is Saudi Arabia. It can raise its current output of 9 million bpd by another 2 million bpd if it wants. Although OPEC decisions are taken by consensus, it was Riyadh's threat to go it alone in late 1997 that compelled other OPEC members to raise output substantially.

This brought economic hardship to all OPEC members, including Saudi Arabia, which had to raise foreign loans to balance its budget. At the last OPEC meeting on 10 September, there was renewed pressure from Washington for

Humans headed for extinction

LONDON - The human race is set to vanish from the earth much sooner than it would naturally as a result of its destruction of other species and use of fossil fuels, a leading investigator into the history of extinction predicted. Michael Boulter, professor of palaeobiology at the University of East London, England, told the meeting of the British Association in London, that without a catastrophic event such as the comet or asteroid strike which killed the dinosaurs 65 million years ago, mammals as a group could have expected to live for hundreds of millions

of years before fading from the evolutionary scene.

But the rate at which humankind has made other mammal species extinct since the end of the last Ice Age, argues Prof Boulter, amounts to the beginning of a catastrophic event in its own right. "Humans are adding to the pace of the present mass

extinction which will involve all large mammals and many other groups. We will be one of the extinguished species. The good news is that life on the planet

will recover and peace will return to the environment."

Prof Boulter and his group have produced a mathematical model of how groups of living

organisms emerge, peak and become extinct. Typically, groups of animals diversify into multiple species rapidly, then slowly decline into extinction. This fits

in with the records of fossils. But the recent rate—recent in geological terms, at least—of large mammal extinctions was more typical of the sudden mass



Here come hydrogen cars

MUNICH - At this year's World Fair in Hanover, BMW has been chauffeuring VIPs around in hydrogen-driven 7-series limousines and the Munich-based firm expects to launch the first solar-powered production models in two years' time, at the very latest. However, if the new technology is to prove economically viable, the majority of motorists will have to be convinced it represents a serious alternative to the internal combustion engine.

Given favourable economic and political conditions, the hydrogen-driven car should be spared the fate of its electrically-powered predecessor, which was handicapped by high prices and limited range. When the initial electro-euphoria had died down, electric cars quickly returned whence they had come—to the stables of their manufacturers. Either that, or they simply burned out, like BMW's electric test car.

By contrast, hydrogen-driven technology has reached a high level of sophistication and thus entails very little upheaval for the auto industry. What it does require, however, is a little push, from politicians, just to get it ticking over. (Sueddeutsche Zeitung)

Europe on information autobahn

The European IT Forum in Monaco says Europe will overtake the United States in Internet use. Patrick McGovern, chairman of the International Data Group (IDG), said there are going to be more Internet users this side of the Atlantic than Stateside. They also predict that Europe will catch up with the US in e-commerce by the year 2004, with Western Europe reaching 89 percent of the US turnover in this market. In 1998, this figure stood at just 9 percent.

McGovern sees a close run race ahead, with Europe's performance owing much to its highly-skilled professionals. IDG subsidiary International Data Cooperation (IDC) forecasts that e-commerce turnover in Europe is set to jump from \$70 billion this year to \$890 billion in 2004. Internet sales between companies (business to business, B2B) are predicted to make up the lion's share of this figure, some 90 percent, with direct sales to consumers (business to consumer, B2C) accounting for scarcely 1 percent of gross domestic product.

Two thirds of Europe's population will have Internet access by 2003, when 66 percent of all Europeans will own a mobile phone, in contrast to the current figure of 45 percent. Higher telephone costs in Europe pose a problem for consumers, but telephone companies will soon introduce flat rates, a fixed sum of money consumers pay monthly regardless of how of how much they use their phones.

The rate at which IT firms are being set up in the US is five times higher than in Europe, despite their similar size. The growing shortfall of IT experts in Europe could pose a threat—the organisation predicts that by 2003, 1.7 million will simply be "missing". (Die Welt)

Rambos vs West Side Boys

NAIROBI - With their dramatic weekend rescue of six comrades and a Sierra Leonean held captive by a rebel group, the small



band of 300 or so British paratroopers in Sierra Leone have seized the limelight from the 13,000 United Nations peacekeepers also stationed there.

The UN mission in Sierra Leone view the British operation with a mixture of envy and scepticism. UN commanders have repeatedly criticised the British soldiers

in Sierra Leone as "Rambos". Unlike the Britons, the 13,000 UN peacekeepers have standing orders against any sort of Rambo-like operations or attitudes. Their mission is to serve as peacekeepers, to maintain a neutral attitude to all sides in the civil war. That helps explain the UN's passive attitude when rebels of Foday Sankoh's Revolutionary United Front (RUF) captured 500 peacekeepers several months ago. Getting those hostages released went relatively peacefully. By contrast, the British paratroopers killed 25 West Side Boys during their 9 September raid and lost one of their own in addition to suffering several wounded.

The UN peacekeepers try to work with all the rebel groups in an area. Recently, for instance, RUF rebels returned seven army trucks that they had stolen from UN troops. The trucks were little more than totally trashed hulks that couldn't move under their own power, but a UN general said he welcomed the RUF gesture as "proof of their commitment to the peace process."

In the UN's Freetown headquarters, almost no one agrees on how to proceed in Sierra Leone and what to do about the rebels. Indian General Vijay Jetley, commander of the peacekeepers, reportedly accused senior Nigerian officers, among them Gabriel Kpamber, former commander of Ecomog, the west African intervention force, of undermining the peace process.

A senior Nigerian official named in the criticism has rejected Jetley's allegations. For his part, Jetley has denied making the remarks in the first place. Nigerian officers later blamed the breakdown in disarming the rebels primarily on Jetley. Calling his accusations scandalous attempts to turn attention away from his own incompetence and passivity, they said he has lost his moral integrity. (Frankfurter Rundschau)

(The Guardian)

Yet another bandh



HEMLATA RAI

The approach to the 21 September bandh called by the coalition of nine minor leftist parties saw a hardening of postures by both the organisers and the government. While the communist grouping accelerated its activities to garner public support for the country-wide bandh, the administration also began taking measures to ensure public life is not affected much.

The bandh calls for the complete closure of all transport, educational institutions, factories and markets to protest the government's failure to address a host of issues, including immediate implementation of a two-year-old agreement between the government and the

A day's closure of business can cause business losses of Rs 30 million in Kathmandu alone. Only rickshaws benefit.

communist grouping. Other major demands are the demolishing of the Laxmanpur barrage, scrapping of the Citizenship Bill, withdrawal of the title of "royal highness" from Paras Shah and bringing him to justice, arrangement of employment for freed kamaiyas, termination of the 1950 treaty between Nepal and India. The protest is also aimed at corruption, price hike, increased salary and allowance of parliamentarians and "unpatriotic activities" by the Prime Minister during

his visit to India. With the Maoists coming out in support of the bandh there is also apprehension that the Thursday bandh may turn violent. That may have provoked the government to issue a statement on 17 September assuring the public that "adequate and reliable" security arrangements have been made to mobilise security personnel to maintain "better" law and order situation in the country. The statement further says that the administration

is prepared to make extra efforts to provide security to people and check criminal activities.

But perhaps the most drastic move was the banning of torch processions. These processions are a regular feature of political protests and usually take place on the evening preceding the bandh day. The Home Ministry has announced the outlawing of torch processions as they might "lead to untoward incidents and cause loss of life and property".

The leftist coalition is, however, determined to stick to its original plan and carry out a torch procession on 20 September. Their confidence has been boosted after the underground Maoists and the main opposition in the House of Representative CPN-UML openly declared support for the bandh call.

Meanwhile, the bandh has come under criticism from the business community. With Dasain just around the corner, it is boom time and closing shop for even a day is likely to lead to huge losses. A study carried out by a Kathmandu-based independent research institution about three years ago calculated that a day's closure of business can cause business losses of about Rs 30 million in Kathmandu alone. The business

community believe damages will be more extensive this time given that sales double during Dasain. A meeting of businessmen, transport entrepreneurs, representatives of consumer organisations and the police that was called by the Kathmandu district administration agreed to disobey the call to close businesses.

The meeting decided that businesses would run as usual so as not to interfere with the

festive mood that people are gradually getting into.

A pretty bold step that considering such defiance by the business community has never been demonstrated before. Even if the resolve comes to naught, it signals a general apathy towards these shutdowns. But until political parties can come up with more imaginative methods of protest, Nepal's have no choice but to live with the endless cycle of bandhs. ♦

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भृकुटी मण्डप
Sept. 28th - Oct. 2nd
Bhrikuti Mandap

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FRIDAY Sept -29 th Education & Career Day Dhime Baja and Dance Sparkle: all-girls band Body of the Year '2000	MONDAY Oct. - 2 nd Archery Championship Bhaktapur Flutists/Sticks/Lakhey Dance Wave Nite: Robin & Lujhya	

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SALIL SUBEDI

The villagers of Halchowk across the Ring Road west of Swayambhu had a rare monsoon treat on 9 September. They lined up curiously to watch as 118 cyclists competing in the first Himalayan Mountain Bike Championship 3 Race Series raced down the spine of Nagarjun Hill and across the paddy fields—the fluorescent T-shirts offsetting the emerald of the rice fields.

Amidst much hustle and bustle, rain and mud, the event took off on time. Weather remained ideal for a tough day of biking. The sky was overcast, with sunny intervals. It became a memorable day for bikers and spectators alike.

Participants performed with flair and dexterity, struggling to keep balance as they negotiated the slippery steep slopes. The first race to start was for the Junior (10.4 km) category, which also included an inter-school competition. It began at 11:00 in the morning, followed soon by the Women (13.7 km). The Senior and the Open (both 33.6 km) began at one in the afternoon.

In the Inter-School Championship, Little Angels School took away the gold with 200 points to their credit. The school had conducted a pre-race training over the past month and had prepared themselves by taking five of the 10 school finisher positions. British School bagged second position with 190 points and Little Rhododendron International (LRI) came third with 180 points. The timings were decided on the

Mountain bike champs

aggregate of the fastest three. Sanjeev Thapa (38:21), Manoj Shrestha (38:29) and Rajendra Khadka (38:43) stood first, second and third position in the Junior group. In the women's category, which consisted of only three riders, Saraswati (Sara) Bhujel bagged gold with a timing of 1:00:47, followed by Kate Thompson (1:01:58) and Sandra Tedeschi (1:02:47). "It was sad not to see any more women participants. But it indeed was quite an effort to get the gold, racing against foreign female racers," Bhujel said. Among the seniors, Sonam Gurung once again received much applause from the crowd for finishing with a time of 2:53:19. Gurung is also considered an 'iron cyclist' and has a wide experience of raiding the highest passes and base camps with his mountain bike. He was followed by Nico Vreelkin (3:04:19) and Willem Boers (3:34:12).

Ranjan Rajbhandari led the open event initially with a superb performance of endurance and stamina. But at the end of his third lap, he was slowed down by an injury. Richard Shirley, a visiting British rider, led the final lap and won the gold with a timing of 2:22:51. Rajbhandari's persevered and came second at 2:29:57, while Ramesh Tamang finished third with a timing of 2:31:09.

Despite the success of the races, there were concerns about safety standards and suggestions



Bikers race through the finishing line at Halchowk (above) and Saraswati Bhujel on the victory stand.

for future championships. Logistics could also be a problem, as indicated by 72 junior riders who got lost in the rice fields and steep routes.

"It was sad to see the race marshals lolling around wearing yellow jersey doing nothing to help the speeding cyclists," says Suman Shrestha of Ason, a guardian of one of the Junior racers. "We had to stand in the diversion, park a motorbike and show the racers the correct trail ourselves."

Director of Himalayan Mountain Bike, Peter Stewart, who was also the race director said: "Because most of them are volunteer sportsmen, I thought they would understand the sporting spirit better than the others. They can really make a difference in making this event interesting." The HMB had



asked for volunteers from the Athletic Association but were not given training or orientation earlier, said one of the volunteers.

There was also criticism regarding the lack of safety standards on the steep and dangerous sections of the trail. "It was a serious flaw. There were not enough race officials. Anything could have gone wrong," says Chhime Gurung, president of the Nepal Mountain Bike Association (NMBA).

The first race event was aired by Star Sports on 17 September, and so will the other two events in October and November. ♦

OLYMPIC BRIEFS

New marathon shoes cut 4 minutes

Researchers at Calgary University in Canada have devised a potentially medal-winning invention—a revolutionary type of running shoe which could shave four minutes off a top athlete's time in a marathon. The head of the research group, Benno Nigg, says four minutes in a marathon was "the difference between finishing first or 22nd... We think we will see some world records". The swinging athlete experiments were designed to mimic the effect on a runner's leg of striking the track at regular intervals in a race. (dpa)

Olympics.com to net 6.5 billion hits

The official Olympics site (www.olympics.com) went down as the recipient of the largest number of hits ever sustained by a single website in one day. It is already the third most popular website in Australia—more than 6.5 billion hits for Olympics.com over the next two weeks. But one thing will be missing: live, streaming video from the games. The International Olympic Committee (IOC) has banned it all, and started pursuit of countless websites it says are breaking the law. It is already a fierce battle. The websites are accusing the IOC of being monolithic and heavy handed, and acting against the spirit of the games. At stake is the IOC's lucrative contracts with broadcasters, which include traditional television stations such as the BBC, NBC and Seven Networks in Australia. For the first time, the IOC has also signed exclusive deals with "broadband" operators to show highlights of the games on the Internet. (The Guardian)

Rich athletes, poor athletes

At just over five feet and weighing a little over seven stone, Paula Barila Bolopa, a swimmer from the Republic of Equatorial Guinea in west Africa, counts herself as one of the most fortunate athletes gathered in Sydney for the Olympic Games. Standing at six feet nine inches and weighing almost 16 stone, Alonzo Mourning, professional basketball player from the United States, can count himself as the richest athlete of the 27th Olympiad. While Mourning and other members of the US basketball squad—known as the dream team—are hidden away in five-star accommodation on the outskirts of Sydney after arriving in a private plane, Bolopa is still recovering from jet lag. Mourning, 21, who won a scholarship to Georgetown Washington University before turning professional, has signed a \$110 million contract with the basketball team, Miami Heat. (The Guardian)

The best seats in town

There's no doubt that this centrepiece of the 2000 Olympics is one of the most comfortable, as well as among the best-looking, stadiums yet built.

JONATHAN GLANCEY IN SYDNEY

Australians do tend towards a refreshing down-to-earth attitude. "Not a dunny in sight when you need one doesn't apply here," says the website blurb for the Sydney Olympic stadium. Fifteen hundred dunnies (toilets) for a 110,000-capacity crowd divided (or is it multiplied?) by a large number of ice-cold beers...sounds fair dinkum to me. There's no doubt that the organisers of the games and their stadium architects, Blich Lobb Sports Architecture (a joint Anglo-Australian venture), have done everything to make this centrepiece of the 2000 Olympics one of the most comfortable—as well as among the best-looking—stadiums yet built.

The striking saddle-shaped polycarbonate roof keeps the sun at bay while admitting as much daylight as anyone could want, and 700 TV monitors keep spectators on the ball while they queue at one of 53 bars and 72 food outlets serviced by 15 kitchens. Each of the stadium's three tiers has been provided with its own concourse, a well-serviced gathering of cafes, bars, shops—and dunnies.

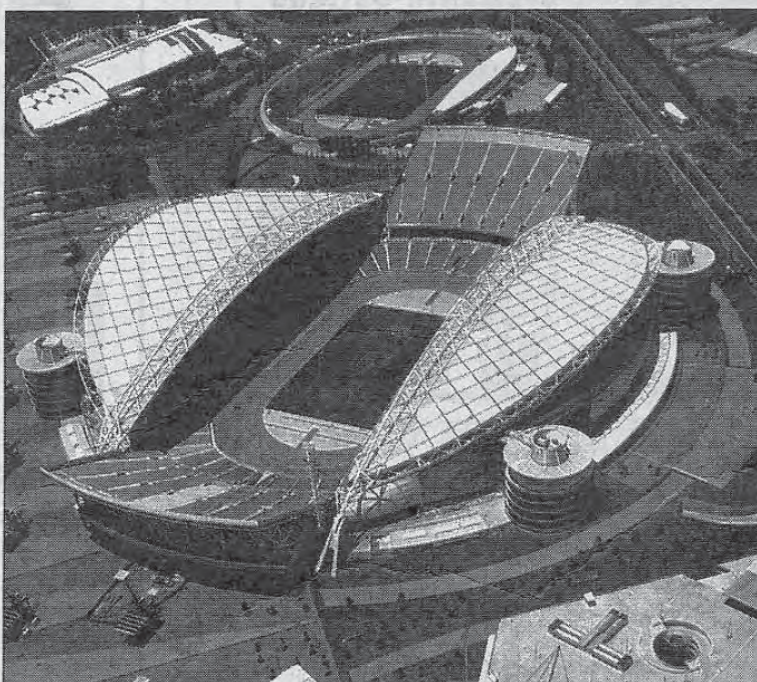
The food served here may not be to everyone's taste: 42,000 meat pies, 25,000 sausage rolls, 15,000 "gourmet" sausages and 12,000 portions of fish 'n'

chips were served the day the stadium opened. That was in March 1999, nicely ahead of time as far as the Olympics are concerned, when a near capacity crowd of 104,000 watched a rugby match between Newcastle and Manly (which other country would have a town called Manly?).

But there is no doubt that this is a great and good-looking stadium that makes London's Wembley Stadium seem more and more like the wrecks of the stockyards and abattoirs that stood at Homebush Bay, nine miles west of Sydney city centre, until construction of the Olympic village began four years ago.

The Olympic Games started out this way, a religious festival of sorts first recorded in 776 BC, held at Olympia in a "greenfield" stadium measuring 196 metres by 30 metres and host to, eventually, 10 events, ranging from the 200-yard sprint or "stadion"—from which we derive "stadium"—to the four-horse chariot race. The games were abolished by the Christian emperor Theodosius I in AD 393 in an edict that banned worship at pagan sanctuaries. They were re-established in Athens in 1896. Ever since, they have presented an opportunity for global cities to reinvent themselves.

Berlin, one of the greatest Olympic



stadiums—designed by Werner March, with stone cladding by Albert Speer, in 1936—was meant to impress the world with the athletic might, cultural weight and political muscle of Nazi Germany. It did. The 120,000-seat stadium, architectural star of Leni Riefenstahl's bombastic documentary *Olympia*, remains deeply impressive today. Impressive, yet set at the far end of a U-bahn line, very much detached from the rest of the city.

More than half a century later, Barcelona demonstrated how the new

infrastructure needed for the games—from housing to new roads—could be used to revitalise both the city centre and decaying parts of the town. It is commonly held that Barcelona achieved in four years what it might have taken 40 years to plan and build if it hadn't won the Olympic bid.

The Olympic park at Sydney is a more relaxed creation. Sydney is in pretty good shape overall—as long as you can take the LA-like suburban sprawl—and hasn't regarded the Olympics in quite the same way as

Manchester or Barcelona. Instead, the games are seen as a form of glamorous flag-waving. However, although the Sydney stadium and its attendant Olympic buildings are impressive, they are still outshone by Jorn Utzon's famous Opera House and the Sydney Harbour Bridge.

What has been special in Sydney is the extent to which architects and developers have gone to ensure that the Olympic infrastructure is "green". The stadium is, by and large, naturally lit and ventilated, while the water that flushes its 1,500 dunnies is drawn, as far as possible, from rainwater and condensation flowing down from the polycarbonate tiled awnings.

But the best bit of the conservation story is that of the green and golden bell frog (*Litoria aurea*). A 700-strong colony of these rare amphibians was found in a quarry on the site of what was to be the Olympic tennis courts (the same quarry that was used as a set in *Mad Max: Beyond the Thunderdome*). Not only was the tennis court re-sited, but US\$2.2m was spent on protecting the frogs' home, and the animals are expected to be a frequent sight hopping about the Olympic village.

By a quirk of nature, the frogs are the same colour as Australia's sporting colours. Naturally, they have been adopted as a symbol of the Sydney Olympics. A car-sized sculpture of a green and golden bell frog has been installed in the departure lounge of Sydney's international airport.

As long as they don't pop up from under the seats in the dunnies, along with poisonous spiders, the frogs should bring humorous relief to the human drama of the Olympic Games. ♦ (The Guardian)

SAVING FAITH

The Kali of the South

On Tuesdays and Saturdays just before the festival of Dasain, the temple courtyard is ankle-deep in the blood of sacrificed goats, chicken and ducks.

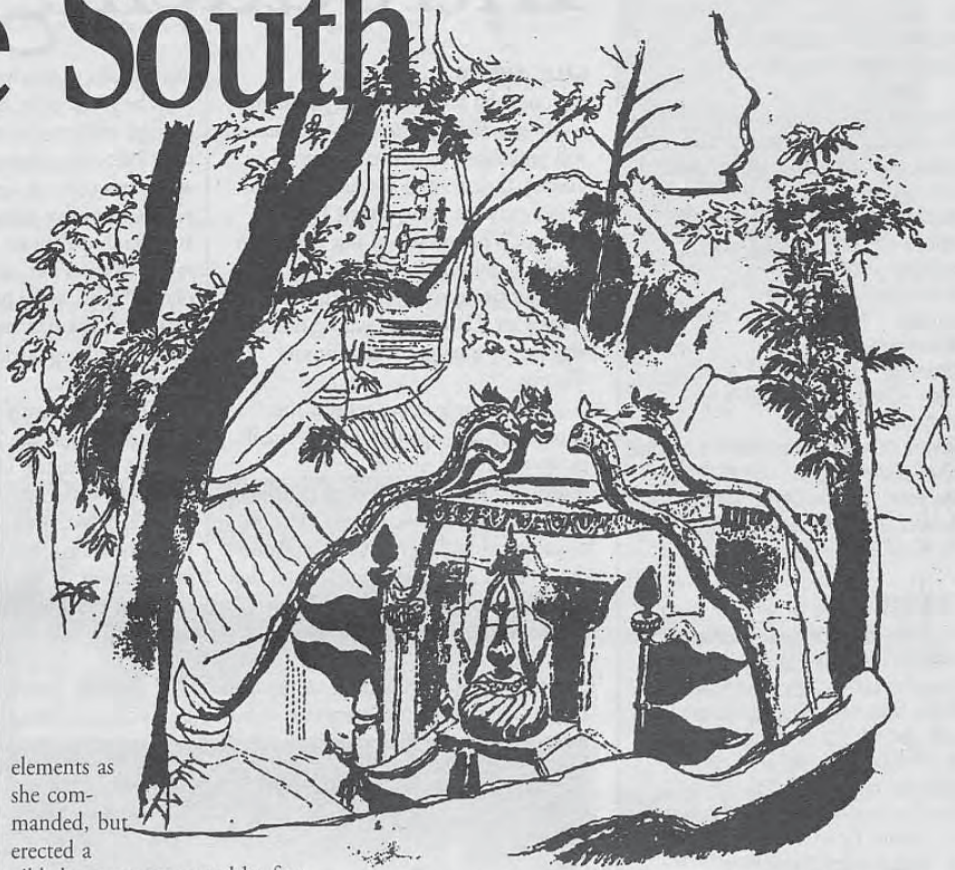
A bewitching drive away from Kathmandu, through the gorge cut by the Mongolian saint, Manjushri; past the small lake called Taudah where Indra's treasure is believed to be hidden and guarded by the snake king Karkot Nag; along a winding road that offers visions of endless beauty at every bend is the most sacred shrine of Dakshin Kali. At one point along the road, with the whole

plains. It is believed that one of the reasons for the distant site of Dakshin Kali is to guard the southern routes to Kathmandu, not with the insignificantly small stone image of the goddess itself but with the tremendous tantric power the deity commands. As one enters a small, deeply forested valley where the temple is, that power becomes tangible in a brooding presence compounded of all the dark legends one has heard and the knowledge that this small

blood: scenes of massacre and murder, battlefields, and sacrificial temples, then they must throng the precincts of Dakshin Kali.

As I sketched the temple, screened from the blood-letting by a wall behind the image, there was a sudden stir among those who idly watched me. A man who had just sacrificed a black goat and taken it to the confluence to wash and prepare for a family feast, had suddenly fallen to the ground, begun vomiting blood and died. The spirits had claimed him, said a young, grave-faced boy who was the son of a temple priest. It often happened, he said. The spirits lived in the trees and under rocks, and sometimes entering the temple claimed a victim. Was he not afraid? I asked. He evaded the question, as if an answer might provoke the very fear he was trying to hide.

Like so many of Kathmandu's temples, Dakshin Kali evolved from the dream of a Malla king who ruled in the fourteenth century. The Goddess Kali appeared to him in all her terrifying glory and commanded that he build a temple for her at a then-unknown, unvisited spot. Immediately it was done, and one of many legends has those who sought the sacred place found it already marked by a stone image of the goddess. They left her open to the



elements as she commanded, but erected a gilded canopy supported by four golden serpents above her head. For company, she has images of Ganesh, seven *ashtamatrikas* and a free-shaped stone Bhairab. Above the temple, approached by a forest path is a still more simple temple dedicated to Kali's mother.

The great importance of Dakshin Kali lies in the ability of the goddess to make wishes come true and bless vows made with each sacrifice. Lovers, students, politicians, businessmen, gamblers, the childless and job-seekers are among the hundreds that visit the temple every week. Like the man who suddenly died after making his sacrifice, there may be those who come to wish release from sickness and pain. The small, black, stone goddess hears them all. A titled English lady I

conducted to the shrine, braved the gore to make a small offering to the goddess. She confessed to me later, that she had made a wish "though naturally I don't for a moment believe in this sort of thing". When I met her a couple of years later, she had been divorced after long years of marriage, so I wondered what her wish had been, and whether it had been answered or not.

There are rest houses about the temple and on the slopes above are grassy forest clearings where more light-hearted *pujas* are held and worshippers picnic off their sacrificed animals. An Indian friend of mine chose one of these charming spots in which to marry his French wife. Though the ancient Hindu ritual was correct and colourful and charged with emotion, the

atmosphere was festive. Guests lounged on the grass, shaded from the brilliant sunshine by parasols or bunches of leaves. There were multi-coloured paper flags and flowers on a pyramid of bamboos over the sacred fire. A Frenchman who had spent years learning to play the sitar and sing *bhajans*, played and sang in three languages—Hindi, French and English. Perhaps, below us, the confluence ran blood—we could not see it—but upon this sun-drenched hillside only the bride wore red, and if dark ghosts happened by, they were quickly converted by the joyous spirit of the occasion. ♦

(Excerpted with permission from *In the Kingdom of the Gods*, HarperCollins, 1999)



The courtyard at Dakshin Kali will be steeped in the blood of sacrificed animals in the coming weeks.

Kathmandu Valley spread below one, it is possible to see the dark pyramid of Everest among a whole horizon of bright snow summits. Turn a corner and the valley is lost behind a shoulder of mountain, the snows obliterated. Before one, the wide cradle of the holy Bagmati drops gradually to the Indian

shrine is bathed in more blood than any other.

Standing at the confluence of two clear mountain streams, the water below the temple is often crimson with blood. On Tuesdays and Saturdays and particularly during the festival of Dasain the small courtyard of the open air temple is ankle-deep in the blood of sacrifice and Kali is continuously bathed with it. If, as I've heard it explained by a tantric sage, spirits flock to the smell of

FILM REVIEW

by DEEPAK RAUNIYAR/ACHYUT KOIRALA

Farewell, concubine

Basanti

Directed by Neer Shah with Rajesh Hamal, Karishma Manandhar, Gauri Malla, Ashok Sharma, Neeraj Thapa, Subhadra Adhikari, etc.

With some exceptions, Nepali films are either poor or bad copies of B-grade Hindi movies that Bombay churns out by the hundred every year. But our film industry sometimes comes up with an occasional surprise. *Basanti* is one.

Actor-director-producer Neer Shah is the man behind this new historical production that takes Nepalis back to the Rana courts and the real-life intrigues and conspiracies that characterised them. Don't get us wrong, the film does keep some of the Bombay *masala* formula (as an insurance against bombing at the box

office, it seems). So gratuitous song-and-dance sequences spring up on audiences when they least expect them. For purists, *Basanti*, minus this masala, would have been perfect. The only consolation is that Neer has tried to place the song-dance gigs with a little more care and sensitivity than most other Nepali filmmakers.

The film is based on a novel of the same name by Diamond Sumshere Rana. *Basanti* is a drama that swirls around and within the high walls of the royal palace. The love between Basanti and the hero, Gagan Singh, a kaji (courtier), blossoms despite all odds. It sways and survives conspiracies from those who, it seems, did not want our hero and heroine to be happy.

Neer has tried to re-create a bit of history, adapt it to present-day tastes and provide

audiences a peek at the past in fast-forward mode. The songs and dances and new adaptations to the original novel are bonuses.

Neer says he wanted to film *Basanti* ever since he first read the novel eight years ago. He kept reading and re-reading the book and discussed his ideas with Diamond Sumshere. Historians such as Jagdish S. Rana and Terry Nicholson helped trace historical references. The rest, as they say, is history. The movie is currently playing in nine theatres in the capital. Though the period film was made for a mass audience and the usual compromises are obvious, one outstanding feature of *Basanti* are the costumes, put together by Usha Shah, Shuvi Shah and Meera Pandey.

Diamond Sumshere does not take any responsibility for the music and dance. "That's

not the *Basanti* I wrote," he told us. "I didn't write the songs. Other parts have also been slightly modified." But he agrees that the main story line is more or less the same. Diamond Sumshere made it a point to undergo a long-overdue eye operation just to watch *Basanti*.

He wrote the novel 57 years ago but was not allowed to publish it in Nepal. It was published in India and he used to give away copies to people to read it—because no one would dare to put it on the bookstores.

The story revolves around a love triangle involving Basanti, a palace maid servant, and Gagan Singh and Queen Rajyalaxmi. The power struggle in the durbar before Jang Bahadur's coup and massacre at Kot form the backdrop.

The all-star cast with Rajesh Hamal (as Gagan Singh) and Karishma Manandhar (Basanti) and Gauri Malla (Queen Rajyalaxmi), may also help draw audiences. ♦



Karishma Manandhar in the title role of *Basanti*.

Neerspeak

Reason for picking Basanti: Because it is full of drama, conspiracy, heroism, love, tragedy, faithlessness and the violent quest for power. All elements that make a movie worth viewing.

What's new in his Basanti: I have put in new scenes and removed some. The changes were needed to bring commercial success.

Preference for historical films (others were Prem Pinda, Rajamati) I love literature. If any novel impresses me, I re-read it many times and begin to think about filming it.

Next project: I'm planning a new film—*Nabhana Malai Narou* (Don't Tell Me Not to Weep), after which he plans to do one on the life of Bahadur Shah, the younger son of Prithvi Narayan Shah. For TV I'm planning to make a serial based on the novel *Seto Bagh* (another of Diamond Sumshere's novels).

ABOUT TOWN

FILMS

◆ **Foreign**
Super Cop - Padma, Tara Evening Only (476092, 491703)

◆ **Nepali**
Chameli - (English Sub titled) - Russian Cultural Centre, 4.30 pm, 23 September, organised Inter-Cultural Film Society,

Basanti - Krishna (470090), Prithvi
Mailee - Goon Kha (520668),
 Ranjana (220091)

Mukundo - Hira Ratna

◆ **Hindi**
Deewane - Nava Durga

Dhadkan - Tara (476092, 491703)

Fiza - Goona (Ka) (520666),

Manakamana, Metro

Hamra Dil Aapke Pas Hai - Hira Ratna

Khuli Khidki - Goon Kha (520668)

Majdoor - Kumari Chitra Mandir

School Girl - Jai Nepal (411014)

Ye Kaisi Pyas - Plaza 1

EXHIBITIONS

◆ **Painting** - Expression 2000, an exhibition of paintings by Shyam Lal Shrestha at Siddhartha Art Gallery, Baber Mahal Revisited. 11:00 am to 6:00 pm. 411122

◆ **Painting** - Exhibition of oil paintings on Nepali landscape by Pramila Bajracharya at the Radisson Art Gallery. Open every day.

◆ **Indian Trade Exhibition** - Organised by ITPO and NICCI in coordination with the Embassy of India at Bhrikuti Mandap Exhibition Hall.

◆ **Thangmi** (extended) - An exhibition of black and white photographs by Sara Shneiderman, representing the Fulbright scholar's ethnographic work with the Thangmi (Thami in Nepali), a Tibeto-Burman ethnic group of 40,000 indigenous to Nepal's northeastern districts of Dolakha and Sindhupalchowk. Exhibition at Bamboo Gallery, Lazimpat. 10 am-6 pm. Extended till 23 September. 412-507

◆ **Photography** - Works of nature-travel photographer Bill Chapman on display at The Himalayan Light Gallery, Pilgrims Book House, Kupondole. 9 am-8 pm. 521159

◆ **Upper Alps** - An exhibition by two high school girls from France displaying posters, artifacts, gastronomic treats, books and tee-shirts on the highly touristic mountainous French region at The Alliance Francaise Auditorium, Thapathali. 242832

◆ **Event**
Kathmandu Utsav - Annual Dasain trade fair with fashion parade, music competition, food stalls. Every day till 20 September. Tundikhel.

◆ **Seminar**
Nepal-India - Half-day seminar on "Nepal-India: New Vistas of Economic Co-operation" conducted by experts from Nepal & India organised by Nepal-India Chamber of Commerce & Industry at Regal Hall, Hotel Yak & Yeti. Rs 500 including lunch. 250607

◆ **MUSIC**
 ◆ **Pop, Dance** - Filipino band Spice and Ice at the Gorkha Grill, Soaltee Hotel, every evening except Monday.
 ◆ **Unplugged Rock** performance by Sabu Lama at Las Kus Restaurant Courtyard, Kathmandu Guest House, Thamel. 6:30 pm onwards. 413632
 ◆ **Piano and percussion** - Piano, Drums and Double Bass performance by Budaprihi Trio band from 7:00-9:30 pm every day except Mondays at the Juneli Bar, Hotel De l' Annapurna, Durbar Marg. 221711
 ◆ **Live band** - Chakra live band playing at the Piano Lounge, Yak & Yeti Hotel. 7:00 pm onwards. 248999
 ◆ **Live Nepali/English rock, R&B** - Live performance by Robin 'N' Looza while you drink and dine. 7:30 to 10:00 pm at the Bamboo Club, Thamel.

Introducing the Thami

SALIL SUBEDI

Anyone who has gone through Casper J. Miller's *Faith-Healers of the Himalaya* will remember the dancing shamans making their way to the hilltop shrine of Kalinchowk Bhagwati in Dolakha district. What most will not remember is which community they belong to. Not surprising since the faith-healer *dhamis* are Thamis and who can blame anyone for mixing up dhamis and Thamis.

The example above reflects the anonymity and isolation of this small group of around 40,000 people indigenous to the districts of Dolakha and Sindhupalchowk. That is why an ongoing exhibition of photographs on the Thamis assumes importance in that it attempts to introduce the Thami people to the outside world, not least

the Nepalis themselves.

The pictures by Sara Shneiderman, a social anthropologist who is in Nepal on a Fulbright scholarship, depicts the social and cultural aspect of the Thami people from five villages in Dolakha and Sindhupalchowk districts. It is a rare collection not only for their photographic value but also because it represents the first descriptive sociological and anthropological study of the Thami people.

Often misidentified as Tamang, Kami or dhami, the Tibeto-Burman Thamis (Thangmi, in their own language) have been presented as a Tamang or Rai sub-group in various research works. Suppressed and marginalised by the more visible communities ('high-caste' Bahuns derogatorily call them *musa*, or mouse),

the Thamis have been living a life of their own, despite a rich culture that harks back to ancient myths and legends complete with a shamanistic religious practice. Photographs on display such as "Pensive Guru with his Granddaughter", "Death Ritual Trance", "Abstract: Night Ritual", and "Kalinchowk Trance" display the depth of the Thami's cultural heritage.

"Because the Thamis are made to feel inferior to other castes, they often pass themselves off as Tamang, and less frequently as Gurung or Rai," says Shneiderman. "I am optimistic that efforts such as this exhibition will help the Thami gain confidence in their originality and self identity," she says. "At the moment the Thami people have realised their presence and role in the society and because of some exposure towards the outside world, they are coming on strong about their identity. But, of course, it needs time for them to be able to completely come out from their poor economic and societal situations," says Shneiderman.

Shneiderman and her partner, Mark Turin, an Anglo-Dutch scholar who is working on a dictionary on the Thami language, have found that the Thamis are spread out in smaller numbers in about 16 other districts apart from Sindhupalchowk and Dolakha. There is also an active Thami community in north-east India, largely concentrated around Darjeeling. The two researchers feel that the Thami deserve to be recognised as a major ethnic population of the central eastern Himalaya.

The detailed captions provided below the photographs make it easier to gain an insight into the community,



and they tell a story of a tough life for the Thamis. "Making a Winnowing Tray" is captioned "Maybe because there are less grains to winnow, the tray is also small". This indicates the fact that most in the community have to earn their livelihood through work like portering and agricultural labour for others. "At the micro-economic level, most Thami households have no reliable source of cash flow. Some farmers with surplus sell vegetables or grain in local market towns, but this is more an exception than the norm," says Shneiderman.

Shneiderman has dedicated the exhibition to late Maili Thami, the mother of her Thami brother who passed away from cancer just days before the exhibition. The photos can be seen at the Bamboo Gallery, Maharajgunj, till Saturday, 24 September, and are for sale. Proceeds will be used to sponsor Thami children in their studies. ◆

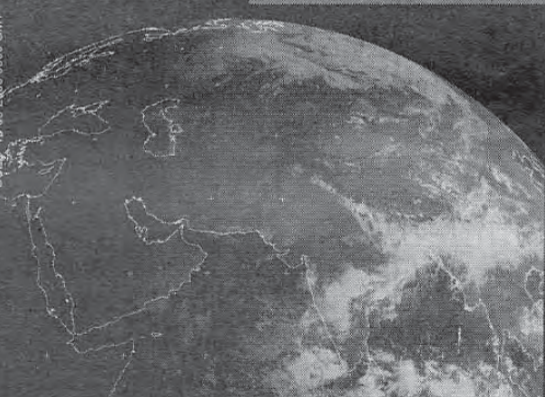
Sara Shneiderman



Thamis from Chokati Village in Sindhupalchowk celebrate a night ritual (below), and (above, right) one of their compatriots from Suspa Village in Dolakha goes into a trance.



NEPALI WEATHER



This year's monsoon still has some surprises up its sleeve. A large moisture cell with towering cumulus soaring up to 45,000 ft crossed central Nepal over the weekend, bringing thunder-showers and heavy rain. The satellite picture shows another low pressure circulation close on its heels with a large cloud band that has already moved inland from the Bay of Bengal. Depending on how much south-westerly punch it packs, this trough could be in Nepal by Wednesday and linger till the end of the week. There is still some hope that the jet stream may make an early appearance and blow the clouds away. More rain for at least another week with snow descending to 16,000 ft.

KATHMANDU

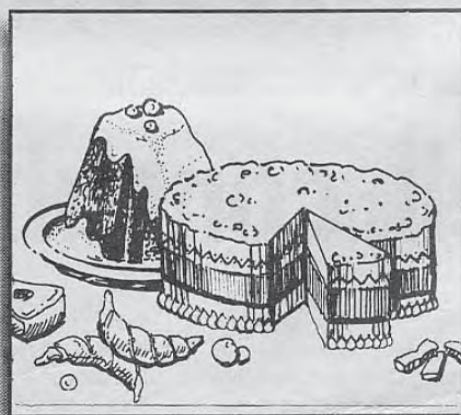
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HAPPENINGS



The UML's National Peoples' Cultural Forum held its annual dance and song programme at the Royal Nepal Academy on 17 September. Attending were UML stalwarts. Above, performance of the garah dance from far-western Nepal.



Country manager of Gulf Air, Ismile Hakiki giving away the Agents Awards at a ceremony on 14 September at the Annapurna Hotel. See story on page 8.



General manager for Nepal of Singapore Airlines, Lawrence Liew and General Manager of Soaltee Crowne Plaza Ribhu Chatterjee drawing the name of the winner for a free ticket to the Sydney Olympics on 15 September. Katsunari Sama of Rabi Bhawan was the lucky winner.

The stone carver

SUJATA TULADHAR

"I was absolutely astounded when I got the contract," says Dharma Raj Shakya, recalling the day he bagged the job to create the two stone lions that guard the entrance to Basantapur. Says the 27-year-old sculptor from Patan; "There were so many senior and more experienced competitors. Just to know that a youngster like me could be trusted was enough to make me enthusiastic about the whole project."

Finding the rocks of the right size was the most difficult part since he wanted to carve each lion out of a single piece. It took a whole month searching the Hattiban forest before he came across a suitable one. Finding another seemed nearly impossible. Two months later, luck seemed to have turned when he stumbled upon it. To his disappointment it turned out to be cracked. But just then, a huge stone came rolling down from the top of the hill. Even more surprising was the fact that when he measured it, the stone turned out to be just the size he wanted. "I take it as a blessing from God," says Dharma.

Born into a family of traditional stone sculptors from Sundhara, Dharma initially had no intention of following his ancestral profession. His interest

in painting led him to study fine arts. "In painting, the work is not so messy as that in stone carving and people respect you too. That's why I wanted to get into painting," said Dharma. But his family's poor financial situation led him back to stone carving.

Family finances is the least of his problems now, and it is not only because of the Rs 410,000 he received for his stone lions. The recognition and contracts that followed have been rewarding. All the stone exhibits

made for them. The situation is good for us now."

Dharma has more than three thousand sculptures to his name and has won many awards. But the one he covets most is the one he received at the National Art Exhibition in 1996. "That was the first time a stone sculpture got the first prize in the history of the exhibition organised by National Association of Fine Arts. I treasure that sculpture of Pragyaparamita a lot. There were quite a number of lucrative offers for that piece. A foreigner even



MIN BALACHANDRA

particular about following the shastras. "It is believed that if any sculptor does not follow the shastras, either his eyes or his hands will be affected. But seeing the way modern art is flourishing today, it seems the Almighty seems to have lost His power," he says.

Because of his deep interest in cultural history and mythology, Dharma is working towards an MA in cultural studies from Tribhuvan University. He also contributes to various journals on art and culture. Besides that, he is involved with the Handicraft Association of Nepal as well.

But the young artist is most happy when he is with his sculptures. "They inspire me to go on, they inspire me to do better. When I see people worship the idols I have made with so much of faith, I really feel satisfied."



MIN BALACHANDRA

on display in the Nepali pavilion at Expo2000 in Hanover are Dharma's creations. Besides, he says, "There are a lot of hotels interested in having sculptures

offered two and a half lakhs for it. But it is so close to my heart that I could not sell it."

While working on any sculpture, Dharma is very

INVESTMENT UNFRIENDLY

from p. 1 On top of that, labour problems have got politicised, there is an anti-Indian agitation among Nepali staff, and Maoists have targeted Indian joint ventures like Colgate and Surya Tobacco.

The message to potential investors is clear: keep out, these guys don't know what they want. And sure enough, a British generator manufacturer that wanted to come to Nepal to start a joint venture recently got spooked and went elsewhere. At the government and bureaucracy levels, there is seemingly little concern about the message that is going out to potential investors and the damage this is doing to the country.

Finance Secretary Bimal Prasad Koirala admits there is a problem. "There is a need to review the



Khetan Shrestha Rana

labour law which is roundabout and complicated, especially the exit policy," he told us. "We're working on improving our competitiveness by pushing the private sector reforms we promised donors in Paris." This package includes making new laws governing banking and financial sector reforms and amending the Company Act to incorporate rules for public disclosure. Some of these laws would have already been passed if the House had completed its full session.

There are roadblocks everywhere: take the corporate income tax, which is 25 percent. Added to it are unseen taxes like a mandatory 10 percent bonus on profits and a five percent housing fund. "Why should I come to Nepal if I have to pay 40 percent corporate income tax?" one potential investor asked us. The end result is that profit-making companies end up paying more and more tax which takes the bottom out of their margins. This year's budget slapped another 1.5 percent tax on exports, hitting profitability further.

Other than the free-trade arrangement with India there is very little reason for investors to come to Nepal. The domestic market is small, and Nepal offers no particular advantages over locations

in north India. Unskilled labour is cheap but it is also much less productive. Land prices for factories are high. Says one investor: "It is a myth that labour is cheap in Nepal. When you take into account productivity, holidays, it is less attractive than India." Nepal is now competing with other Indian states which in turn are competing among themselves for a more business-friendly environment.

The last straw is corruption. This huge indirect cost that investors incur in Nepal just doesn't make doing business a viable proposition. "I wouldn't say all businesses are clean either, but official corruption is something else," says Pradeep Shrestha, chairman of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI). "Discretionary authority allows officials to squeeze businesses."

The attraction that Indian investors had to move to Nepal was the duty differential on raw material imports which made it attractive for companies to produce in Nepal and sell in India. That too is changing with Indian tariffs coming down with every new budget. Another distinct advantage Nepal had over Indian states like Bihar and Uttar Pradesh was industrial peace. No more, in 1998/99 Nepali industry lost 98,600 worker days to strikes and another 14,600 to lockouts.

Trade unions are an accepted part of industry, but in Nepal unions are aligned to parties and their allegiance is to their political patrons and not to workers they represent. And often enterprise-level unions don't accept or abide by central-level decisions.

Even if everything else was fine, Nepal's labour productivity suffers because of the large number of holidays. Paid government holidays in Kathmandu Valley alone number 132 days—almost five months—in a year. This does not include holidays on the days when the king travels in and out on state visits, special leave for women and the courts, not to mention the bandhs. What is clearly needed, as Secretary Koirala says, is a fully committed effort to look at all laws—maybe even a look back at some recent revisions in the Foreign Investment and Technology Transfer Act and the Company Act which tax both dividends and interest—and the overall political environment. But at the rate things are going, if the Maoists' intention is to scare away foreign investors from Nepal, they needn't bother attacking their factories anymore. The government is doing the job for them. ♦

Never Let You Down...





Under My Hat

by Kunda Dixit

Ever since democracy brought adults-only franchise to Nepal ten years ago, a major gain has been the right of every citizen to declare a *bandh*. However, except for the Marxist-Leninists, most of us have been too squeamish about using this great avenue to express our desire to take a day off. Why, we still have spoil-sport politicians in our country who think we should not have national shutdowns. How can freedom ever be safeguarded if we don't vigorously exercise our fundamental human right to stay home and play *paploo* to register our protest of the Indian occupation of Kalapani?

Look at our neighbour Bangladesh, the hartal superpower of



One thing we shouldn't do is give up hope. We shouldn't say, the Banglas are so far ahead, we can never overtake them. That is having a negative and fatalistic attitude. Our slogan should be: "Yes, the Nepali can. And the Nepali will." We must strike while all our irons in the fire are hot. We will match, or even overtake, the rest of the world by declaring national strikes whenever and wherever we please. Starting tomorrow.

The success of a *bandh* hinges on people voluntarily keeping off the streets. But we must persuade them by training the guardians of our democracy in the art of shattering the windscreens of a speeding car from 25 yards. And who exempted rickshaws and airplanes? How can we

defend freedom if we allow planes to fly around with impunity? Are we serious about bringing this country to a halt or not? When we say we want to jam all *chakkas*, we mean it, and that includes anything running on ball bearings.

Shutup and shutdown

South Asia. They didn't get there by pussy-footing with democracy: they had a systematic plan to enter the Guinness Book of World Records as the country with the highest per capita national strikes in the world. And, sure enough, they achieved it: in April, Bangladeshi political parties shut down the entire country cumulatively for 18 days. Democrats in Dhaka have hurtled headlong into hartals and are consistently aspiring to perfect their strike techniques and endurance skills. Not satisfied with 24-hour shutdowns, they now even have four-day hartals in Dhaka. With that kind of a head start, when is Nepal ever going to catch up?

I don't know what you have planned for Thursday, but I have lined up a busy *paploo* and beer schedule designed to put pressure on the government to immediately implement my 18-point demand that includes:

- Immediate withdrawal of all Indian troops from occupied Kalapani
- Ending all corruption by Friday
- Giving the nephew of my wife's friend's maternal uncle a job in the Food Corporation
- Declaring a two-week *bandh* during Dasain. ♦

NEPALI SOCIETY

VATSAYAN

If you met Durga Baral on the street, and you didn't know him, you'd still want to say hello to him. The man exudes friendliness. His glittering smile, delicate gestures indicate a refined person, perhaps an artist. And sure enough, Baral is actually Vatsayan, the eminent cartoonist whose biting satire and subtle commentary have delighted Nepalis for decades.

At 63, Baral lives a quiet life in Pokhara, drawing inspiration from the stupendous scenic beauty of the place—not just the grand vistas of the Annapurnas but little fleeting glimpses of dew drops on *dubo* in the morning, in the ripples on the lake reflecting moon beams. "The amazing wonders of nature, they don't cease to amaze me," he says, smiling shyly because the words came out sounding

more profound than he wanted.

Baral makes occasional forays to Kathmandu, to meet his editors at *Kantipur* where his cartoons are printed once a week. This time he is also here to see his first grandchild, daughter of his eldest son, Anup Baral, a theatre artist. "I'm glad she's a daughter," he says.

He lived in Kathmandu for about seven years in the 60s, but decided to move back to Pokhara to take care of his maternal uncle and aunt who, being childless themselves, had



Baral's self portrait

raised him. Although he is known for his political cartoons, Baral also does serious paintings and writes short stories. Says the cartoonist who took his 'nom de brush', Vatsayan, after the social commentator better known as the author of *Kama Sutra*: "It takes a lot of thinking and reading to create a political cartoon. But social cartoons need twice that sensibility." ♦



Grindlays



In US\$	Dal-Lentil 1 kg	Bhat-Rice 1 kg	Petrol 1 Litre	Diesel 1 Litre	Kerosene 1 Litre	Electricity 1 Unit	
Bangladesh	0.74	0.37	0.40	0.22	0.37	0.04	53.85
Bhutan	0.65	0.31	0.56	0.33	0.18	0.02	44.46
India	0.66	0.37	0.58	0.29	0.14	0.05	45.76
Maldives	0.25	0.28	0.40	0.30	0.42	0.21	11.82
Pakistan	0.44	0.46	0.55	0.24	0.13	0.04	54.89
Sri Lanka	0.76	0.38	0.64	0.25	0.20	0.03	78.55
Nepal	0.66	0.39	0.55	0.33	0.18	0.08	72.55

All prices are in US dollars, collected from informal sources, and are only indicative.

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