

SPOTLIGHT

Aug 18-24, 2006



Nepal's Hard Reality

Economy : Oil Crisis
Encounter : Navaraj Pokhrel

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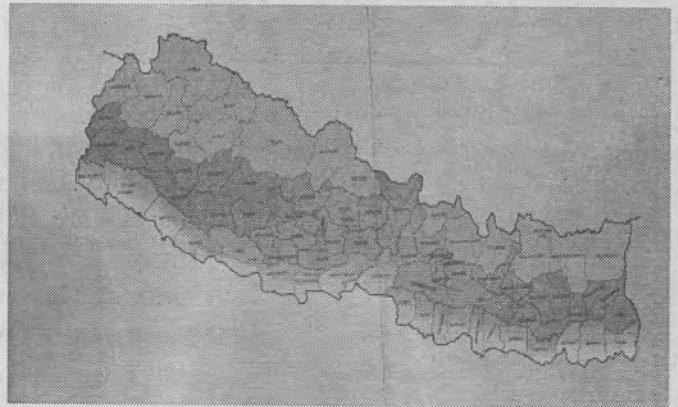
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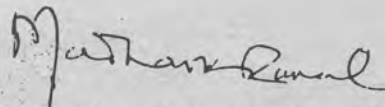
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The drafting of the interim Constitution seems to have hit a big snag. Laxman Aryal, a retired judge of the Supreme Court of Nepal, has been designated the head of the drafting committee of the interim constitution. It seems Aryal has a difficult mandate. He thinks he not only has to draft the constitution but also to obtain the consensus of all the concerned parties – the Seven Party Alliance and the CPN (Maoists). The rest of the people of the country do not matter. But he seems to be in a quandary. He has, so far, not succeeded to obtain the consensus. As such, he is taking a rigid stance. He has threatened to lock up the draft of the interim constitution if the concerned parties do not proffer their approval of the draft. This has generated a very difficult situation which might delay the finalization of the draft sine die. Why must the drafting body insist on obtaining the consensus on the draft? As a matter of fact, the draft is not the final document and needs no consensus at all since it will be shredded into pieces in the interim House of Representatives that will be formed to give the final shape to the interim constitution. We were under the impression that the job of the drafting committee is to place the draft with the government and the government would place it in the House for discussion and finalization. But the way the chief of the drafting committee is behaving, the draft will never be ready. It smells of a rat. And who could be behind that can well be guessed, at least, by those who would be directly affected. When it took only a hundred days for the constitution of the United States to be drafted, why should the interim constitution of our small country take such a long time? And when, it is not even the final document why must it need the consensus of all the concerned parties? By the time it comes out of the interim parliament in the final shape, whenever it does, it might retain its original shape and character even. Then, why such a big fuss? Good question. But there is no good answer. Neither Aryal himself can give a satisfactory explanation. As such, in our opinion, let the drafting committee do its job of drafting the interim constitution. No where in the world the draft needs any consensus before it is presented to be dissected. Since, the delay in the interim constitution might generate serious repercussions, Aryal is advised not to create spurious problems and finalize the draft of the interim constitution with utmost haste and no more hassles so that there would be no more unnecessary delay for achieving the objectives of the people's wishes. The people have suffered much and need redress at the earliest. Stop them from getting impatient. ■


Madhav Kumar Rimal
Chief Editor & Publisher



Local Bodies To Invigorate

This is in connection with a cover story 'Local Bodies In A Limbo' (Spotlight August 11). Personally, I strongly support the author's observation of the current scenario of Local Bodies. How long are the centrally authorized heroes, nay, villains going to play a drama with rural innocent people? The so-called 'rulers' need to remember the assurances made to all country people and understand their on-going spirit by marking full stop to their traditional cat-and-mouse game. Unless Local bodies are strengthened, the stakeholders will be deprived of harvesting fruits of 'Loktantra' from the proportional angle of justice. Consequently their unity is likely to contribute to the

downfall of power mis-users for the prosperity of country in a democratic way.

Kiran Bista
Paknajole

Non-Relevant Issue

'There is a total disorder in KMC' is not the relevant issue. After 2nd Janaandolan, waste garbage were not managed properly. They were scattered everywhere, so that it could pollute the environment in a better way. So, the particular story would be more suitable if it was written that time.

Lalit Thapa
Ghattekulo

Real Picture of Real Estate

The story 'Real Estate' has clarified the present situation of land business transactions. After the April movement announcement of ceasefire, the popularity of Kathmandu has been decreasing daily. The people who had come from villages have been returning back towards their own destination. So, the business of selling and buying land is going down these days. The story has well informed the public.

Jitendra Khatri
Maharajgunj

Admirable Cover Story

The cover story "Local Bodies In A Limbo" (Spotlight, August 11) is really admirable. It was appropriate to publish it as a cover story. The close observation of current issues in the present context

is educative. The author has really researched and raised the issue deeply. His story has become more credible due to the quotations of Hari Gautam, Secretary of Mahendrakot VDC in Kapilbastu, Pradeep Thapaliya, executive director of National Association of VDC's in Nepal (NAVIN), Dr Yagya Prasad Adhikari, and so on.

Dinesh Guragain
Hattisar

Good Profile

I am a regular reader of Spotlight Magazine. The regular place that you have given at the end as profiles give information about artistes and singers. But you should not be limited with the sector of entertainment alone. In my view, you should also give importance to such personalities who are engaged in business, education field and so on.

Ram Bahadur Gurung
Thamel

Serious Subject

The article on the possibility of foreign interference emerging as new threat "A New Threat After Palace" (Spotlight, August 11) raises some very serious questions. If a deputy prime minister of a country talks about the imminent threat of foreign interference, nobody should take

it lightly. Amik Sherchan's observation that non-implementation of government-Maoist pact could trigger deaths of one million Nepalese in a year should not be treated as some off-the-cuff remarks. It was a statement made by a person of deputy prime minister's stature. Surprisingly, his remarks did not generate any debate in the country. Just compare it with the reaction that followed remarks made by Prime Minister Koirala about the need for giving space to the King. Thankfully, your magazine has raised this issue. All the informed and knowledgeable persons of the country must be alert to the unseen undercurrents and guard the nation's independence.

Krishna Sharma
Kopundole

Stock Swings

The article "Bulls and Bears" wrote about the recent upheavals in the Nepal Stock Exchange. But it did not elaborate or analyze the factors that led to such upheavals. Nipse has been going through similar bouts of ups and downs in the past as well. Its vulnerability is well-known. An article analyzing its fundamental and how safe the investors are should be appropriate for your magazine. I hope you will keep on reporting on this important issue.

Jeevan Bhurtel
Dilli Bazaar

Leaders Make Us Proud

Seeing India and Pakistan celebrating their sixtieth birthday with satisfaction and pride, we Nepalis think – will that day ever come when we too will celebrate our National Day with similar pride? Most of the countries big or small, are fortunate to be led by men of character and patriotism. Not to say leaders like Thomas Jefferson or Abraham Lincoln, Winston Churchill or Charles de Gaulle, even our neighboring countries have produced men like Mahatma Gandhi, Pandit Nehru, Mohd. Ali Jinnah, Mao Zedong, Chou En Lai and Deng Xiao Ping. But when we name our leaders, we bow down with our heads in shame. Will we ever have a leader who will make us proud? We have not lost hope.

Devaki Nandan Ghimire
Kathmandu

House Committee Directs Govt To Freeze Royal Land

The House of Representatives Natural Resources Committee has directed government to freeze the transactions of royal land. It has asked government to freeze attempts to sell off lands during the period of investigation. After the Committee gave these directives, Land Reforms and Management Minister Prabhu Narayan Chaudhary replied that since only cabinet can make decision on the matter, he would present necessary proposal to the cabinet soon. Meanwhile, the parliamentarians expressed dissatisfaction over the details provided by the Ministry officials regarding lands belonging to the royal family. *Leading dailies report.*

US Senator Meets With PM And Speaker

The visiting American Senator and chairman of Senate Judiciary Committee Arlene Specter met with prime minister Girija Prasad Koirala and Speaker Subas Nemwang on Sunday (August 13). Senator Specter is here to study the latest political situation of Nepal. He expressed America's commitment towards peace and democracy in Nepal. Talking to reporters after meeting the PM, Senator Specter said, "It is not for the US to tell the PM how to form (Nepal's) government." When asked about the subject of including the Maoists in an interim government without disarming the Maoist army, which the US has been opposing, he said, "If you are going to have a government, it has to be a peaceful one and all parties should have the willingness to abide by democracy and democratic rules, and that means by negotiations, not by force of arms." He also termed the Nepal's efforts to get UN involvement in its peace process as 'entirely appropriate.' "The PM and I discussed the UN's role in Nepal. He is anxious to have the UN as a stabilizing force." *Compiled from reports.*

"King Should Be Suspended Till CA": Prachanda

Maoist chairman Prachanda has said that the King should be kept in suspended

position till the results of Constituent Assembly elections. Addressing a press conference in Bhadrapur, Jhapa on Sunday (August 13), Prachanda rejected moves to make the King ceremonial. "There is serious intention behind the word ceremonial. Efforts are being made to make the King autocrat again by using this word," he accused. He added that by advocating ceremonial monarchy, PM Koirala was committing betrayal against the people. At the press conference, Prachanda said the seven parties and the government were working under foreign influence. He accused them of delaying decisions and implementation and compelling them to return to jungle. "But everyone should understand that we are not going to return to jungle again. Rather we would organize peaceful agitation. We are ready to court arrests in Kathmandu," he said. On the issue of extortion, he said, "They don't come out to help in the management of fooding and lodging of our army and they ask us to stop collecting donation. How can that be?" Prachanda and Dr. Baburam Bhattarai had gone to Siliguri, India on Friday where they met with family members of senior Maoist leader Mohan Baidya who is imprisoned there. Prachanda said that although there is no indication that India would release Baidya soon, another Maoist leader CP Gajurel who is in prison in Chennai could be released in a few days. "India is carefully watching how we move and how the interim constitution is made," he said, adding, "I guess India is linking the release of Baidya as its final weapon." *Leading dailies report.*

Robber Gang Busted

Police and local people foiled an attempt to rob a financial institution in Pulchowk on Sunday (August 13) and busted a gang of most wanted 'robber' who has been linked with looting 14 financial institutions in the past. The gang of Rajan Limbu was busted after the police, with the help of local people, foiled their robbery attempt at Guna Cooperative limited in Pulchowk. Limbu and three others were fleeing after robbing the company of Rs 442,000 in cash when police arrived and nabbed them with locals' help. The robbers even opened blank fire when

escaping. But they were soon gheraoed by the police and public. Limbu Bhakta Bahadur Lama and Sunil Shah were nabbed. The police recovered money and three pistols from them. It was this very gang that had looted over Rs 15 million from various financial institutions in the past one year. Limbu was recorded as 'most wanted' by the police. *Leading dailies report.*

Koirala Instructs Party Mps Not To Speak Against Peace Process And Party Unity

Prime Minister and president of Nepali Congress (NC) Girija Prasad Koirala has directed his party MPs not to speak against the ongoing peace process and party unity. Addressing the parliamentary party of NC on Saturday (August 12), Koirala asked his MPs not to make random remarks against the party policy and agreement reached among eight parties. In the earlier meeting of Congress parliamentary party, majority of MPs had spoken against eight-point pact. "I will not compromise with anybody on issues such as law and order, democracy and peace," he warned. The meeting was called after many Congress MPs reportedly started lobbying and networking against the agreements reached among eight parties. During the four-hour-long meeting, Koirala came to the meeting room to make opening and closing remarks while he listened to what the MPs had to say from his bedroom through sound system. During his remarks, PM Koirala said that the weapons belonging to the state and the rebels cannot be treated in a similar manner. "Even though at times they may have fallen into the hands of autocratic regime, the weapons belonging to the state are legitimate. If anybody puts both the weapons in similar plank, then new rebellions would erupt," he said. Koirala also stated that the House of Representatives should not be dissolved without appropriate and reliable alternative in place. He said that it was due to HoR that the international community were also having faith in the government. He added that after endorsing important legislations like those relating to army, accession to throne etc, the HoR session would be prorogued to be resumed during the proclamation of the interim constitution.

On party unity, Koirala said all should be ready to make way for 'respectful' unity. *Nepal Samacharpatra daily reports.*

Maoist Commander Killed In Nepalgunj

A commander of Maoist army was killed in a mysterious manner in Nepalgunj on Saturday (August 12) evening. He was shot to death at Hotel Yatri Niwas in main bazaar of Nepalgunj. Sources identified him as Parshu Narayan Chaudhary of sixth division of the Maoist army. He is said to be above the status of company commander. His body was found in a room in the hotel. Police have not said whether it was the case of murder or suicide. Meanwhile, in Saptari, district secretary of Maoists Amar was injured when a group of Janatantrik Terai Mukti Morcha (JTMM) cadres shot at him on Saturday evening. He was en route to the Bhardaha-based base camp of the Jana Mukti Sena from Rajbiraj, riding a motorbike when JTMM cadres shot at him at Yoginiya VDC. *Leading dailies report.*

Indigenous Community Favor Democratic Republic

The Indigenous communities have said that only democratic republic could ensure equal access and opportunities for them. Presenting their Kathmandu declaration, the general secretary of Indigenous Nationalities Federation Dr. Om Gurung stated, "Indigenous nationalities declare that they want federal democratic republic." The declaration was finalized after two-day national political consultation of the federation. The consultation was held in Kathmandu and attended by over 700 persons from different parts of the country. *Leading dailies report.*

ICDC Fails To Submit Draft Constitution On Time

The Interim Constitution Drafting Committee (ICDC) failed to submit draft constitution on Wednesday (August 9)—the last day of their tenure—after the talks teams of the government and the Maoists refused to receive 'incomplete draft.' As different political parties and the Maoists submitted widely varying

recommendations on basic issues, the ICDC was unable to come up with consensus document and hence tried to submit an incomplete draft. "They have done their hard work. But we parties have been unable to provide them with unified positions. Therefore, we decided to first reach understanding among ourselves so that the Committee would receive common position and thus can come up with complete draft," said Home Minister and coordinator of government talks team Krishna Sitaula clarifying the reasons for not accepting the draft. Chairman of the ICDC Laxman Aryal also said that the two talks team had informed him that they would fix another date for submitting the draft. The ICDC was formed by the two talks teams as per the eight-point pact between the seven parties and the Maoists. *Leading dailies report.*

Japan Comes To Refugees' Rescue

Japan has decided to give \$ 2 million to the United Nations High Commissioners for Refugees (UNHCR)'s 2006 Annual Program Budget for Nepal. A press release issued by the UN refugee agency said, the assistance boosted the refugee agency's ability to provide continued protection and assistance for the refugees in camps in eastern Nepal. The statement quoted UNHCR's Representative in Nepal, Abraham Abraham as saying, "This is tremendous and we wish to thank the Government and people of Japan for this important and generous contribution to UNHCR's activities in Nepal." Abraham added, "When needs arise, we've always had a very positive response from the Japanese government and this year's Japanese contribution represents a 100 percent increase from last year towards funding of the refugee agency's total needs in Nepal." The Government of Japan is the second largest donor of UNHCR programs worldwide, and has been supporting the refugee agency's program in Nepal since the beginning, the statement adds. The UN refugee agency is providing international protection and assistance to around 106,000 Bhutanese refugees sheltering in seven camps in eastern Nepal since the early 1990's. *Leading dailies report.*

No Aid To Govt With Terrorists: US

US Senator Arlene Specter wrapped up his two-day visit on Monday (August 14) stating that the US law would not allow the US government to provide financial assistance to Nepal if the Maoists are included in the government with their weapons like Hamas in Palestine and Hezbollah in Lebanon. "I believe that US is not in a position to try to determine the internal policies of Nepal. Nepal has to decide itself what Nepal wants to do. But examples of other countries make it clear that the Maoists have to give up arms," said Specter. In an interaction with media persons, Specter said, "Maoists have a military force. They can't have an army of their own within when they are in government. It is my hope that Nepal will work out its problems," said Specter, who is also the Chairman of the US Senate's Judiciary Committee. He added, "Maoists are on the terrorist list. They must renounce terrorism and give up arms." US ambassador to Nepal James Moriarty clarified, "We have a law: Maoists are on the terrorist list, and if they enter the government with weapons, we cannot give money to the government that contains terrorists." Asked about the Maoist leader Prachanda's accusation against the US that it was advising Prime Minister Girija Prasad Koirala for continuation of ceremonial monarchy, Moriarty said, "It is totally untrue. We have never said that publicly or (advised so to the PM) privately." Senator Specter added, "US is not giving bad advice to PM. People don't like to be told what they should do by some other country. It is up to people of Nepal, the PM and the seven political parties, to take the decision." Specter said Maoists writing to the UN was a positive step. "It will be helpful to have UN come here. UN has a clear mandate, world public opinion is represented by UN, and I think that the Maoists would listen to them," he added. On his meeting with the Chinese leaders, he said if countries like China, Nepal, Bhutan and India denounce "Muslim fundamentalism, which justifies even mass murder" it would be significant to the world opinion. *The Himalayan Times daily reports.*



PM Koirala meets with visiting US Senator Arlen Specter

Kantipur

IN HIS FIRST DIRECTIVES TO THE GOVERNMENT secretaries, Prime Minister Girija Prasad Koirala has instructed them to prepare a 10-year Vision Paper to strengthen bureaucracy. On Friday (August 11), PM Koirala went to Singh Durbar and gave instructions to the secretaries. "I instruct you to prepare 10-year vision paper to reform the bureaucracy. I urge you to prepare the document in two months and submit it to the cabinet through chief secretary," PM told secretaries. The PM also directed secretaries to make bureaucracy people-oriented.

THE ASIAN DEVELOPMENT BANK (ADB) HAS DECIDED to provide grant assistance of Rs 4 billion for improvement and expansion of rural feeder roads. According to ADB, this amount would help build 490 km of feeder roads in hilly regions. One bridge and 10 roads will be constructed and upgraded with this assistance.

THE UNITED NATION (UN) ASSESSMENT TEAM LEADER Staffan de Mistura who recently visited Nepal submitted his report to the Secretary General Kofi Annan. He said he was "strongly encouraged" by the two identical letters sent to the UN by the Nepal government and the Maoists requesting for its assistance. "We got two letters...both have agreed on a five-point platform requesting the UN to get involved in electoral process, in arms management – which means cantonment of both the combatants and the army, in the process of monitoring of the ceasefire and human rights situation," he told reporters in New York, according to UN's official website. "The good news is everybody wants the UN involved, everybody wants the UN assisting in the peace process, which is potentially fragile and which should not be allowed to remain fragile," he said, adding that it was up to Secretary General to decide the course of action.

INDIA HAS WELCOMED THE FIVE-POINT UNDERSTANDING on arms management between the government and the Maoists and the identical letters they sent to the UN requesting latter's assistance in the peace process. Talking to visiting Nepalese Finance Minister Dr. Ram Sharan Mahat in New Delhi, Indian foreign secretary Shyam Saran said India welcomed the latest developments in Nepal and was ready to cooperate with Nepal. Dr. Mahat also quoted Saran as saying that India is steadfast on its position that the Maoists cannot enter into interim government along with arms, though.

THE CONSULTANT OF THE MIDDLE MARSYANGDI hydropower project has blamed the 'increase in installed capacity' and 'political situation' for the rise in the cost of the project by two times. Initial estimated cost stated that the project would be completed by spending Rs 13.65 billion. But this amount has now increased to Rs 25 billion. The consultant Fischner JV has blamed the 'political reasons' alone for the inflation of the cost by Rs 5.5 billion. It added that after the initial design (which had the installed capacity of 58 MW) was changed (to make it 72 MW), the cost further increased.

THE NINTH MINISTERIAL MEET OF THE BIMSTEC THAT concluded in New Delhi on Wednesday failed to announce the date for implementing the already agreed upon free trade agreement. Earlier, the bloc had decided to implement it with effective from June 1, 2006. The joint declaration of the high-level government officials' meeting on Tuesday and the ministerial meeting on Wednesday stated that the pact pertained to finalization of trading goods prior to the second BIMSTEC Summit meeting for implementing the trading agreement. Latest developments such as regulations on origin of goods, negative lists and market protection have hindered the implementation of the accord. Yet another challenge before the member-nations is to bring to zero point the customs duty till 2017. The meeting decided to hold a second summit meeting in India on February 8, 2007 to mark a decade of the establishment of BIMSTEC. A proposal forwarded by the Finance Minister of Nepal Dr. Ram Sharan Mahat to jointly fight against poverty by BIMSTEC group of nations was welcomed. The BIMSTEC elected Nepal to lead the group in this regard. A second phase of round table meet is to be held in Kathmandu in August for development of tourism, it was decided in the meet.

INDIA HAS FINALLY REVOKED FOUR PERCENT ADDITIONAL duty it has imposed on imports from Nepal. The Indian government had agreed to do away with the duty during Prime Minister Girija Prasad Koirala's visit to New Delhi two months ago. In the Indian Finance Ministry's Central Revenue Department's notice of public importance on Tuesday, it is stated that the four percent additional duty has been revoked on 58 Nepalese goods identified by name, and 18 others which are placed under code name only without mentioning the proper names. Except those placed under code name, Nepalese goods on which additional duty has been revoked include vegetable ghee and oil, glucose, noodles and Ayurvedic tablets. Indian government has said that this revocation will apply only on Nepal. Indian government had been imposing the additional duty on all imports from March 1 this year.

TURKEY HAS EXTENDED THE NUMBER OF SEATS AS scholarship for Nepal from four to six. According to Mohan Gopal Khetan, Hon Consul General of Turkey to Nepal, this was informed to Deputy Prime Minister K.P. Sharma Oli by visiting Ambassador of Turkey Halil Alkinci. Ambassador Halil also called on Speaker Subas Nemwang at the House of Representatives. They discussed about cooperation between two Parliaments. Ambassador Halil also called on Madhav K Nepal, Sec General of UML, and Minister of Tourism Pradip Gyawali and Secretary of Ministry of Foreign Affairs. The cooperation for the seat of Security Council among Nepal and Turkey, Socio Economic issues of Nepal and Air link between the two countries were also discussed with different dignitaries. Ambassador presented credentials last weekend. He is resident Ambassador for Nepal in New Delhi.

“I hope to do so before Dashain.”

*Prime Minister and president of Nepali Congress **Girija Prasad Koirala**, when asked by a reporter when the two Congress parties would be merged, in Biratnagar.*

* * *

“People cannot give their true mandate in such a situation.”

***Surya Bahadur Thapa**, president of Rastriya Janashakti Party (RJP), saying that the elections of Constituent Assembly cannot be held fairly when Maoist militia wielding guns are terrorizing civilians in villages, while addressing his party workers in Kathmandu.*

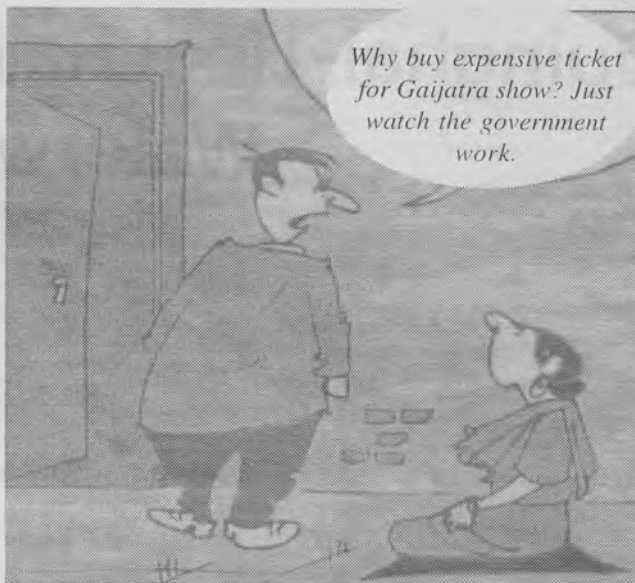
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“The US is not giving bad advice to PM. People don’t like to be told what they should do by some other country. It is up to people of Nepal, the PM and the seven political parties, to take the decision.”

***Arlene Specter**, US Senator who visited Kathmandu recently, speaking to reporters in the context of American opposition to the joining of the government by the Maoists before their disarming, in *The Himalayan Times*.*

* * *

“There is serious intention behind the word ceremonial. Efforts are being made



Bimarshu

to make the King autocrat again by using this word.”

***Prachanda**, Maoist chairman, at a press meet in Bhadrapur.*

* * *

“There will be no solution if we continue to protest the old excesses by the Maoists.”

***Bamdev Gautam**, standing committee member of the Unified Marxist Leninist (UML), stating that the UML should declare Maoists as friendly force, in Kantipur.*

* * *

“Now the peace process would move ahead positively.”

***Madhav Kumar Nepal**, general secretary of the UML, after the five-point agreement on arms management.*

* * *

“They have done their hard work. But we parties have been unable to provide them with unified positions. Therefore, we decided to first reach understanding among ourselves so that the Committee would receive common position and thus can come up with complete draft.”

***Krishna Sitaula**, Home Minister and convener of the government talks team, after refusing to accept the incomplete draft by the Interim Constitution Drafting Committee.*

* * *

TRANSITION

RETURNED: US Senator and Chairman of Senate Committee on Judiciary, **Arlene Specter** (Republican-Pennsylvania), after completing two-day visit to Nepal.

APPOINTED: Lieutenant General **Rukmangat Katawal**, as the acting Chief of Army Staff (COAS), Nepal Army, by the cabinet.

Saroj Devkota, as the vice president of high-level Information Technology Commission; **Dr. Subarna Shakya**, as the chief of the Information Technology Center; **Ra Kumar Gautam**, as the general manager of Biratnagar Jute Mills; **Prasanna Kumar Koirala** as chairman of the board of Dairy Development Center; **Ram Lal Shrestha** as member secretary of Lumbini Development Trust; and **Ram Chandra Jha**, as chairman of Greater Janakpur Area Development Committee, by the cabinet.

NOMINATED: **Prateek Pradhan**, **Kishore Shrestha**, **Parshu Ghimire**, **Gyanu PAndey**, **Sanjay Santoshi Rai**, **Dipendra Chauhan**, **Bipul Pokhrel**, **Mahendra Bista** and **Yagya Sharma**, as members of Press Council.

DIED: Journalist and Joint Secretary of CPN -UML’s Mahakali Zone liaison committee, **Mitralal “Balak” Adhikari**, 47, after leaping to death from the top of Dharahara.

Qinghai-Tibet Railway And Kosi Waterway

By DR. AB THAPA

China has surprised the world by succeeding to attain a very high degree of success in the fields of science and technology side by side with the economic development. The recently completed Qinghai-Tibet railway is a brilliant feat of engineering. It is reported that the Chinese authorities have already expressed their willingness to bring the railway connection to the southern border points. Mr. Keshab Poudel writes in a recent issue of the Spotlight "After the grand inauguration of Qinghai-Tibet railway the geo-strategic position of Himalayan region has undergone a profound change as this miracle of technology has opened a new vista of opportunity for close cooperation for the development among the countries of this region"

The Kosi canal waterway proposed to connect Eastern Nepal with the seaport via Ganges and Bhagirathi could be linked with the Qinghai-Tibet railway if that railway is further extended inside Nepal. Thus a new transportation route could be opened up to connect South Asian countries by land and waterway with China. It could be a new trade route which would bear a certain similarity to the ancient Silk Road in the way that both are related to promote trade. It is interesting to note that a grandiose project to reconstruct the ancient Silk Road has already been initiated.

Inland Waterway and Nepal

Nepal has always been at a great disadvantage because our country is landlocked. A free and unhindered access to the sea to facilitate trade and transit had always been a cherished dream of our country and fulfillment of this dream has remained as one of the most important objectives of our international relationship. It does not need to be explained that the inland waterway linking our country with the seaport would have been ideally suited to relieve us of great difficulties in handling goods particularly bulk cargoes in transit. Nepal has been expressing its intention to use the main rivers of Nepal to establish waterway linkage with the seaport.

There were several impediments to the Nepal's plan to develop inland waterway. The most important being the slow progress in recovery of the Ganges navigation itself, which suffered a terrible setback immediately after the partition of India in 1947. At present the plan to extensively use Ganges navigation is gaining its momentum.

Now we are holding discussions with India on major storage projects. We have already signed an agreement with the Government of India to conduct detailed feasibility study to develop Kosi canal waterway linking Nepal with the

seaport through Ganges and Bhagirathi rivers as an integral part of the Kosi study..

Safe and Reliable

Apart from being a very cheap mode of transportation, the inland water transportation is the safest and the most reliable form of transportation with very little risks of pilferage, loss and damage of goods during the carriage. Such type of transportation is very convenient for moving the goods and equipments that are too big and heavy. There are some obvious advantages of the inland water transportation. Some of them are as listed hereinafter. (a) Ability to open markets for otherwise non-marketable commodities. (b) Stimulates industrial production. Ability to attract production facilities to water-oriented locations in the interior of the country and thereby aid in their dispersal from the coastal congested areas. (d) Ability to fit services into production line processes for raw materials movement.

The 1997 Kosi Study Agreement

Though the people in our country were very slow to realize the significance, the 1997 Kosi study agreement greatly helped to fill up the wide gap that existed in the perceptions of Nepal and India on Kosi development. India agreed to bear the entire cost to carry out a detailed feasibility study of the Sunkosi dam project earmarked to provide irrigation and power benefits almost entirely to Nepal. In the field of inland waterway also India has agreed to bear the entire cost of feasibility study of a navigation canal linking Nepal with the Ganges. It is explained below how an economically viable navigation canal presented in the concept paper of the WECS would be preferable to natural course of the Kosi for navigation.

Advantages of Canal Navigation

The Kosi Waterway is the nearest to the Calcutta Seaport and it is well linked with the transportation system within Nepal. So there is advantage in giving priority to develop this waterway. Unfortunately the topography of the terrain in India traversed by the Kosi river is quite steep. There is an elevation drop of about 40 m between Indo-Nepal border and the Ganges River in a north south stretch of just about 120 km. This certainly makes the task of developing Kosi River channel suitable for navigation by large vessels very difficult. The high topographical gradient makes the channel depth small due to high flow velocities. All these difficulties can be easily overcome if we choose to have a navigation canal instead of a natural course of the Kosi River. Some of the obvious advantages of the navigable canal linking Chatra with the Kursella where Kosi merges with the Ganges are given below:

The navigation canal would follow the shortest route to the Ganges river. The length of the Kosi navigation canal from Indo-Nepal border near Birpur to the Ganges is expected to be only about 120 km, whereas the length of the river route to cover the same stretch would have been about 270 km.

The entry point of the Kosi navigation canal into the Ganges river is near the tail end of the Ganges river where the depth and widths of the river channel are expected to be adequate for relatively big river vessels. There might even be significant enhancement in navigability of the Ganges river near the tail end due to backwater rises after the completion of the Farakka Barrage. The Kosi navigation canal to be planned to take vessels plying in the lower reach of the Ganges would be far bigger in size than any such canals along the Gandak or Karnali rivers falling into the Upper Reach Ganges.

Dimensions of Canal and Locks

The operation cost of the river transportation is dependant on the allowable size of the vessels plying on the waterway. So our efforts must be to plan Kosi canal waterway to be suitable for river crafts as big as possible in size. The 165-km long Kosi canal (out of which about 120 km would be in India) should be planned for operation on a par with the Farakka barrage and canal. The size of the Farakka lock is 25.15 meters wide and 180.7 meters long, whereas, the minimum operating depth is about 3 meters. The same dimensions should be applied to the Kosi navigation canal also. The proposed navigable depth would be comparable to such depths prevailing in the United States and Europe.

The USA had about 25000 miles of internal commercial navigable channels in 1968, of which 15000 miles provided operating depths of nine feet or more. The nine-foot draft is considered standard for barge and towing industry operations in the USA. In 1966 about 490 million tons of freight was carried by all kinds of river ships in the USA.

A Unified European Network was agreed with regard to the whole of Europe that category IV waterways should be the standard link between river basins. This category should be able to accommodate 1350-1500 ton vessels. The locks should have a minimum depth of 3.5 m over the sill.

The Narmada Valley Development Authority has also planned to build navigation canal. The canal is intended to be used for navigation as well as for irrigation purposes. The Narmada Canal has a bed width of 78.8 m. The water depth at low water is 3.8 m, the water depth at high water would be 7.6 m. The push barge convey plying on the Narmada canal would be 170 m long, 15 m wide, draught loaded 3.0 m and draught empty 0.5 m. The design speed at low water would be 9 km/hr relative to canal current.

Navigation Beyond India

Development of deep waterway after the introduction of the Kosi navigation canal could help to opening up exiting possibilities far beyond our wildest dreams. A recent ESCAP study has recommended the introduction of Cargo River Coasters (CRCs) along the Ganges corridor for the transportation of food grains from Patna to the southern coastal areas. It implies that after the development of Kosi canal navigation, Nepal could also look forward to extending navigation services far beyond Calcutta and Haldia ports to destinations like Dhaka, Mumbai etc. .

Recent Examples in Europe

The Kosi navigation canal will be a component of the Kosi High Dam Project. There are good examples in past when big multipurpose projects had helped to develop inland navigation. The river Rhine is one of such examples. To improve navigation and to produce hydroelectric energy, France, by the Treaty of Versailles, diverted the Rhine water below Basel into a canal that

joins the Rhine at Neu Breisach. This helped to significantly improve the navigation conditions that permitted to ply barges of 1,500 tons capacity in that stretch of the river.

The river Danube was navigable in Austria in the past also. A massive Danube Waterway Improvement Programme with 12 low dams was launched in the post war period and now it is almost at the final stage of the completion. The whole of the Austrian reach of the Danube, more than 350 km in length would be navigable for very large vessels.

An example of the most recent navigation canal is the Main-Danube Canal in Germany. This canal is 171 km long. Its construction was completed in 1990s. The canal winds through some of the most challenging, scenic, and environmentally sensitive landscape in Germany. The Altmuhl Valley traversed by

the canal is one of the most beautiful and environmentally fragile in Bavaria. It is this factor that lies behind a long and often passionate opposition to this project. However, Germany did not bow before the environmentalists opposing the canal scheme who regarded that it would be the end of the Altmuhl valley. The economic attraction of the waterway for Germany was too great. According to a study conducted on behalf of the State Railway, to move one ton of goods in Germany one kilometre costs 14 pfenings (about 9 cents) by rail and 29 pfenings by road, but just 4 pfenings by inland waterway.

Stair step locks on the Main River lift barge traffic to Bamberg, northern entry point to the canal. From there 11 locks raise ships to the highest point on any commercial waterway in Europe about 180 m above Bamberg. Five more locks then lower vessels to Kelheim, the southern terminus of the canal. The waterway will accommodate huge Euro-barges carrying upto 2,425 tons of bulk cargo, the equivalent of 78 truck trailers.

The operation cost of the river transportation is dependant on the allowable size of the vessels plying on the waterway. So our efforts must be to plan Kosi canal waterway to be suitable for river crafts as big as possible in size. The 165-km long Kosi canal (out of which about 120 km would be in India) should be planned for operation on a par with the Farakka barrage and canal. The size of the Farakka lock is 25.15 meters wide and 180.7 meters long, whereas, the minimum operating depth is about 3 meters.

(Dr. Thapa writes on water resources)

ONE IDEA STATE

Whither Loktantra?

Loktantra, a new version of democracy, is pursuing one idea state where diverse views are completely ignored

By KESHAB POUDEL

“We will not allow monarchists to go to village to campaign during the elections for the Constituent Assembly,” thundered human rights activist Krishna Pahadi. “People have already given verdict for Loktantrik Gantantra (Democratic Republic) through people’s movement.”

“There is no room for monarchy in Loktantra,” said another civil society member Dr. Devendra Raj Pandey. “When people are demanding for Republic state, the government is trying to reinstate the monarchy. We will not accept it.”

“The person who talks about the monarchy cannot go for a constituent assembly,” said Maoist leader Prachanda. “A ceremonial King in the nation is a dangerous thing, the government is trying to save the King.”

Three statements given by two civil society members and Maoist leader have similar meaning as they have already set the agenda and identified the persons who will be allowed to campaign during the elections for Constituent Assembly.

Although all three expressed their commitments towards Loktantra, a new definition of democracy, saying that they will accept the verdict of the people, their approach to getting the verdict of people is yet to be defined.

“If there are parameters of Loktantra, a definition of democracy, what remains a democracy in present Nepal is a question

before the moderates. The present change in Nepal is the result of the conflicts of Nepal’s geo-political position. Heroes and champions have emerged out of anarchic situation in the past agitation and most of them have utility in disrupting order in the society and thus making any regime non-functional. None of them has credible record in the past contesting the elections,” said a political analyst.



Men in agitation: Did they want one idea state?

Following successful Janandolan II and replacement of Prajatantra by Loktantra, the anarchy continues to prevail over the order. From streets to education institutions, civil service and industries, everyone has started their agitation creating the anarchic situation terming those in opposition as anti-Loktantrik.

Even in recent public meeting organized by civil society, the speakers threatened to pull out their support to the government if it fails to fulfill the wishes of people. It seems that power can be changed now not from the ballot of people but the anarchic and unruly demonstrations in the street.

“This is a Loktantrik government formed through the popular Janandolan II,” said deputy prime minister Amick Sherchan. “We don’t need to follow the parliamentary procedures to take decisions as people at the street are our strength.”

Popularized by persons who were involved in the recent uprising which is called Janandolan II, Loktantra, a new version of democracy replaces Prajatantra which was popular meaning for democracy. The Constitution of Kingdom of Nepal does not have this word but even prime minister Girija Prasad Koirala, who led all the political movement for Prajatantra, has been using Loktantra for democracy. As the way the word Loktantra is being used by leaders and champions of this uprising, the word Prajatantra has been left for the rest of the population. Even if he has

accepted ceremonial position, no body knows where the King falls in the category between these two words?

“If the difference in the word is to denote two different categories of persons the meaning is clear that the Loktantriks will be the rulers and Prajatantriks (democrats) will be ruled,” argued the political commentator.

Is it a one idea state? Or is it a state consisting of all kinds of political beliefs from Loktantric to monarchist. Before it is too late the new term for

democracy should not create confusion in the minds of the people that the population of the country is divided into two categories of those holding faith in Prajatantra and Loktantra. In the name of Loktantra, efforts are being made to build one idea state. ■

CORRECTION:

Mr. Masakazu Mizutani is not the president of Matsushita Electrical Corporation instead of what inadvertently appeared in the article “Touching Assistance” that was published in Spotlight, August 4, 2006. Mr. Mizutani is associated with Rotary Club in Japan. The error is regretted. – Ed.

OIL CRISIS

Hard Choices

The government is caught between the devil and deep blue sea—hike the oil price and face public wrath or continue to hurtle down the path of unsustainable loss

By SANJAYA DHAKAL

Either way, the government is staring at deep trouble. Due to accumulated follies of past governments and oppositions, the subject of oil price hike has become such a hot potato that the current administration is shy of taking any firm decision.

The cabinet meeting on Monday (August 14) decided to shirk the issue and refer it for the seven parties as no minister was willing to shoulder the insurmountable public blame that is sure to follow any decision of price hike.

The cabinet ministers decided that the issue of increasing the price of petroleum products, should first be endorsed by seven parties.

Finance Minister Dr. Ram Sharan Mahat hinted there was no alternative other than increasing the price of petroleum products. "We are incurring losses of Rs 11 billion. We have to pay dues of Rs 8 billion to the Indian Oil Corporation (IOC) alone," he

Driven by rumors of imminent hike in petro price, there is acute shortage of supply in the market. Initially, the state-owned Nepal Oil Corporation (NOC) decreased the distribution of petro-products by around 20 percent to press the government to increase its price but soon afterwards there were serpentine queues of motorists at petrol pumps all over. According to Shiva Prasad Ghimire, president of Nepal Petroleum Dealers' Association, of the total 1587 pumps, 90 percent have no oil to sell.

Despite these accumulating losses, the government is scared of inviting public wrath by increasing their prices.

Last week, deputy Prime Minister and Foreign Affairs Minister K.P. Sharma Oli said that the government would not immediately increase the price of petroleum products. "The government is bearing the burden of loss from elsewhere," he said, adding, "The government's financial situation is poor but we do not want to take decision that is anti-people."

Last week, a team of officials of IOC visited Kathmandu to press the NOC to pay the dues soon. They said they cannot provide such a huge amount of credit for such a long time.

Even as the NOC is suffering from over Rs 20 million loss daily, the government is collecting around the same amount daily as taxes on them. Taxes like VAT, excise, special duty and local development tax are imposed on different petroleum products. According to NOC, there is loss of Rs 9.9 per liter in petrol at the current selling price whereas the government collects Rs 26 as taxes on them. Likewise, in diesel, the loss is Rs 11 per liter and the tax, too, is Rs 11 per liter. In kerosene, the loss is Rs 8.21 per liter and tax is Rs 3; in aviation fuel the loss is Rs 5.8 and tax is Rs 10; and in cooking gas the loss is Rs 189.25 per cylinder while the tax is Rs 200.

But for obvious reasons the government is not prepared to do away with taxes on petro products for the time being. The government officials feel that once the oil tax is done away with, there will be no cushion left for the government to bear the losses as the international oil market is suffering from runaway increase in crude oil prices.

On August 8, the prices of crude oil touched a new high of \$ 78.65 per

barrel (one barrel is equal to 159 liters) in the international market. The geopolitical tensions in the Middle East and other key oil-producing nations along with the announcement by global oil giant BP that it was shutting its Prudhoe Bay oil field in Alaska because of corrosion in the pipeline network triggered the dramatic increase.

The OPEC ministers are saying that they are doing all that they could. "We increased the production, we don't have much more to increase. What is happening in the market is nothing to do with supply and demand," the head of Libya's National Oil Corporation Shokri Ghanem was quoted as saying by the Platts.

Given this situation in the international market, possibilities of oil prices coming down remain very dim. Only three years ago the price of crude oil was below \$40 per barrel. But the voracious appetite of giant economies like China and India and continued high demand by other countries ensured that the oil prices did not have to fall.

All this mean disaster to a poor economy like Nepal, which is suffering from high inflation and low growth. According to report of present economic situation by the central bank, the inflation has increased to 9.1 percent. However, the Nepal Rastra Bank (NRB) report states that the salaries and wages have increased during the period by only 5.7 percent. The hike in oil prices and their cascading effects on prices of transportation and other consumer goods are primary culprit for the rising inflation.

Amid this difficult scenario, the government needs to take the whole political spectrum into confidence and tell the people about the realities. Once the government is able to convince the people then it can introduce scientific system of automated price adjustment mechanism to avoid future troubles. The opposition parties and civil organizations should also avoid resorting to populist slogans without providing constructive alternative solutions.

Nepal's Hard Reality

Surviving as an independent nation in equilibrium between two big powers of Asia, Nepal has been facing attempts by its neighbor to undo the hard geographical reality - which dictates terms and conditions for Nepal's destiny. Nepal - which is the only country in the modern world surviving in the equilibrium of two big powers - does not have facility to align with one or another neighbor. The recent joint letter sent by the government and the Maoists inviting the United Nations in arms management and for other observer roles show that efforts made by one power in the last twelve years through a proxy force to change the hard reality in its own security and strategic favor has not worked. Experiences have shown that a neighbor, howsoever powerful or big it may be and howsoever close geographical proximity it may have, also cannot change this hard reality of Nepal

By KESHAB POUDEL

After more than a month long debates and disputes, the government and the Maoists finally sent identical letters separately to the United Nations seeking its role in the area of arms management and in observer roles in holding of the elections for Constituent Assembly.

Two weeks before sending letters to the UN, the cloud of uncertainty and possibility of breakdown in the fragile peace process had hovered in the Nepalese sky. Maoist leaders - who are now facing resistance from a Terai Liberation Front in southern plains - even

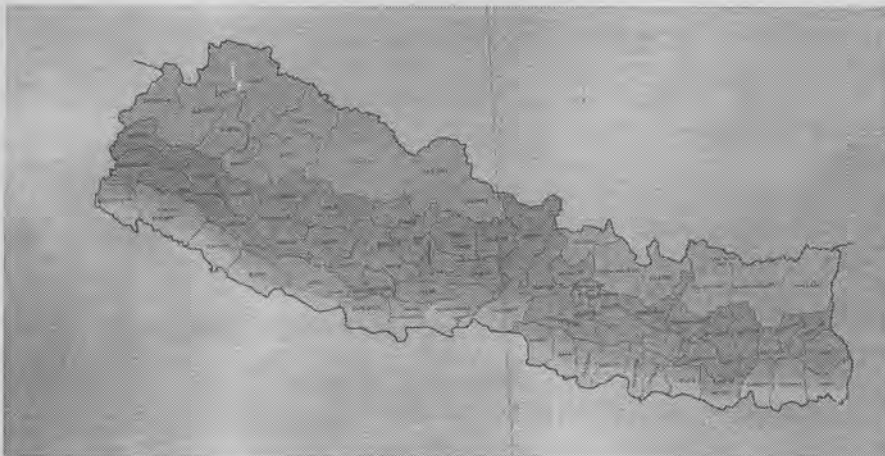
issued statement threatening the government to withdraw from talks.

From civil society members to other political leaders, too, went to press prime minister Girija Prasad Koirala. Suddenly, but surprisingly, Maoists leaders, who threatened to break the peace talks, changed their tone and agreed to send a joint letter to the UN with the government just after twenty-four hours after the statement.

The result came not just because of seen games but many undercurrent incidents that took place before writing of the joint agreement. Just a day before the agreement for joint letter, Indian ambassador to Nepal Shiv Shanker

Mukherjee and new British ambassador Andrew Hall met with Koirala. India - which has the highest security and strategic stakes in Nepal and who played a major role to prepare the 12-points agreement between Seven Party Alliance and Maoists in November 2005 - reportedly came to rescue the peace process this time also.

When Nepal's political forces and civil society members were taking credit for their role in bringing the government and Maoists together, India's leading newspaper the Times of India - which has the record of toeing the line with Indian government in the foreign policy matters - reported how Indian



Nepal: Always a yam between two boulders

involvement saved the negotiations from the virtual point of collapse.

According to *The Himalayan Times*, Indian foreign secretary Shyam Sharan in meeting with Nepalese finance minister Dr. Ram Sharan Mahat, who was in New Delhi to participate in the ninth BIMSTEC ministerial meeting, welcomed the latest political developments in Nepal and reiterated that India is ready to cooperate. According to Dr. Mahat, the talks focused on letters sent to the United Nations following the agreement between the government and the Maoists.

Upset by constant demands for laying down of their arms, the Maoists seem to be happy pressing the government to sign deal favoring their stand to keep the arms with them. "The agreement signed between the government and the Maoists has cleared the cloud of uncertainty," said Maoist leader Prachanda to the media in Bhadrapur while returning from Silguri, an eastern Indian city of West Bengal state on Sunday.

At a time when various Indian intelligence agencies are blaming Nepalese Maoists for supplying arms to Indian Maoists and other Mafias, Maoist leader Prachanda and his colleagues traveled to Silguri, one of the most security sensitive and strategically important part called 'chicken neck' of India without any interruption.

UN's Role

Initially, there were heated debates over whether to allow the UN in the arms management and monitoring the rebels.

Finally, all parties agreed to give limited mandate to the UN in the conflict. Although the UN has very dismal performance in settling the violent conflicts in other parts of the world, Nepal does not have any other option other than rely on it.

"Earlier, the involvement of the UN was highly objected to deal with the conflict. Now it is useful by consensus to save the faces and prestige of dominant and defiant power. After the UN's involvement, the phase of Maoist insurgency seems to be closer to an end but its pain will be there for ages to come in the families and communities of Nepal. Nepal has been passing through a great upheaval and its leverage is still in one place - which is beyond the apprehensions of average Nepalese," said a political analyst.

"Nepal is in a peculiar geographical setting in which it cannot choose one neighbor against other. That compulsion of geography is not there with any other South Asian country even to the extent of Afghanistan and Myanmar. These countries can align against one power or another but Nepal hangs between two gravitational centers. That fact has always been there and it has become more alive at present," said a political analyst. "Occasionally, attempts are made to change this balanced position of Nepal but that has always been subsided after unpleasant conflicts and destructions. That attempt - which prolonged for more than a decade under the facade of a totalitarian ideology - was made this time also," added the analyst.

After accepting the role of the UN, all those attempts have turned into a fiasco after causing many bitter and painful stories for the common people of Nepal. Many developmental infrastructures and grass root level institutions - which were built in the last five decades - have been destroyed. Concealed behind populist slogans, attempts have been made to create disharmony among various ethnic, regional and linguistic groups.

Despite the claim of Maoist insurgents not to return to jungle, many widows and orphans have heart-rending stories to tell. Already the family members of dead security personnel and of injured security personnel as well as the Maoist victims are demanding the due compensation by organizing demonstrations in the capital.

"My husband was killed by the Maoist and my property was confiscated. I want compensation for my property so that I can live with my two sons and a daughter in the village," said Thuli Tamang, 38, displaced from Ramechhap. "The government and Maoists cannot ignore our demand," said Tamang, who has been staging demonstration in front of Singha Durbar under the banner of Maoists Victim Association.

Maoists At End

After suffering a lot with thousands of cases of human tragedy, Nepal's current phases of violent insurgency seems to be on the last stage. "We will not return to the jungle anymore. We will bring about a republic legally by staying in the cities," said Maoist leader Prachanda who still wants to retain weapons to guarantee the security of his cadres.

Even if Prachanda determines to go back, it may not be possible for him and his cadres to do so now as the pressure of international community, particularly the American and western countries, is such that they will not be receiving the logistic support they used to get from across the border till a few years back. Instead, the new indication coming through Terai Liberation Front is that Maoists will have difficult days ahead.

"The decade-long conflict has come to an abrupt change merely by

international pressure rather than internal acumen for reconciliation and mutual adjustment. Terrorism, has all over the world, been used as a proxy war to achieve a result in which many innocent and idealist persons are trapped as fighters for proxy war have hardly any capacity to know. This has been done in Nepal also," said the analyst. "After a stage, even they are disillusioned with a fanatical idea; they don't get opportunity to salvage themselves. That is the problem in Nepal at present."

Although ideological Maoist front has already been exposed, the new front of ethnic, linguistic, religion and regionalism is gradually opening which will be more dangerous and they can burst any time. The game of divide and rule still continues.

Of course, it is not going to benefit anybody but this game of religious, ethnic or geographical divide is not going to serve any interest of the power which is instigating to do so also.

Phase of Interdependence

Unlike in the past, the technology has increased the interdependence among nations. Only through close cooperation, nations can achieve their economic growth rate. The old and outdated security perception is gradually being replaced in the present-day world.

"It was a wrong thing to do with Nepal with an outdated outlook of



Saran: Huge Stakes

strengthening the national security. The science and technology has forced the life of interdependence among nations," said the analyst.

Following the opening of rail way to Tibet, the overall strategic position has changed now. "We in Nepal highly value the unprecedented geo-political importance of this new railway link. I firmly believe that this faster transport network will provide a unique opportunity to enhance our over two thousand year's old Trans-Himalayan social, cultural and economic ties and bring our two countries closer than ever before," said Madan Regmi, chairman of China Study Center.

"Everlasting relations with China, we must be able to take care of Chinese sensitivities and should acknowledge their security concern. Our national interest is vital for us and we firmly believe that a China-friendly Nepal government alone can ensure Nepal's sovereignty, independence, territorial integrity and our national interest."

China and India have been making efforts to come closer. The technological development has gradually increased interdependence among the nations. Although the initial response of India towards Railway to Lhasa was not much positive, all the powers have to adjust with this new technological reality.

"China's strategy to develop its western regions and the launching of the Qinghai-Tibet railway imply that it is a long-term trend for China and South Asian countries to surmount various difficulties to expand economic cooperation through utilization of geographic advantages," said Chinese Ambassador to Nepal Sun Heping. "The newly launched railway will help pave the way for trade between China and South Asian countries including Nepal to expand more conveniently by providing much easier access to the Chinese hinterland instead of a detour by marine route to get to China for trade and business."

According to the analyst, both Indian and China have come to a point where contact and cooperation are more



Tang Jiaxuan: Stressing on Nepal's independence

beneficial to them instead of maintaining a posture of hostility. There was no sense to destroy the stability of Nepal by proxy actions to gain some strategic advantage. This creates unnecessary misunderstanding and brings out multiplier threats.

Realization in Neighborhood

All recent events indicate that policy makers in south are realizing the disadvantage of violation in Nepal but it is appearing slowly and gradually into action. There was a limit of instigating one political force against another. Though that was done, now the main problem is that of managing crisis before it goes out of control.

Whatever political influence the southern neighbor has on political parties in Nepal, it must concentrate for order and stability. Nepal's stability and prosperity is vital for India's interest also.

In every field, Nepal has suffered much but it didn't have leader like B.P. Koirala's moral courage to tell the truth to the world and neighbors. Even his own brother G.P. Koirala - who is now heading the government - cannot speak his mind.

"I have been telling people that it is our patriotic duty to be very friendly with Peking. But, it must be clearly understood that there are greater

compulsions for being friendlier with India than China. The friendliness of the Chinese must be reciprocated. India should not demand that we toe their line and adopt a hostile attitude towards China" said B.P. Koirala, answering a question of Indian Journalist Bhola Chatterji. "What about your relations with China? If Nepal cannot wish away India, neither can you wish away China? (see Sunday Magazine July, 1979. "It must be clearly understood that I am for Nepal, but at the same time we shall have to maintain the friendliest, most cordial and intimate relations with India. One just cannot wish away with the fact of geography. With all respect to the patriotic sentiments of Nepali, we cannot afford to be anti-India; we cannot take up the cause of those countries which are anti-India. I am not a stooge of any body. I am not pro-India, or pro-China or pro-America. I am pro-Nepal," he had stated.

"We have got marriage connections; social and cultural connections with India. Besides, there is the compulsion of geography. If there is a heavy rain in our catchments areas, it causes floods in India. So we are bound together and we have to sink or swim together," said B.P. Koirala in his interview then.

As such, for the moment the Maoists have already agreed to live in

confined areas, and this would help ease the psychological fear.

"The news in The Times of India is quite revealing though it was too late for New Delhi to realize the need of peace and stability in Nepal, it carries enough of hope that it will no more allow the proxy war being continued in Nepal," said the analyst. "A peculiar

scenario, contrary to these beliefs, has also been occurring sporadically in the southern region of Nepal in name of Terai Liberation Front as it has been attacking Maoists cadres from Terai."

Although the front has high-sounding violent utterances against the settlers from hills, its immediate target appears to be Maoists. The way southern part of country is being unsafe for Maoists, this gives the message that in future the interior hills of Nepal may also not remain safe to them.

"The way the Maoists were created with a dreadful posture, the same way they are going to disappear. After all these tragic experiments, the southern



PM Koirala: Walking a tightrope

neighbor must have learnt some lessons in Nepal. It is neither the strength of Nepalese army nor the patriotic resistance of Nepal that southern neighbor restrained itself from atrocious and excessive use of proxy force. It was the geographical advantage of Nepal that any executive action or encroachment in Nepal invites retaliation in different places and in different manners. But mainly keeping its strategic interest in Nepal, whenever both the neighbors were helpful for stability in Nepal, they were not threatening one against other. The past history of Nepal has sufficient lessons for that," said the analyst.

Chinese Concern

Recently, Chinese scholars, politicians and officials have been officially and privately expressing their opinions regarding the importance of independent Nepal for the security of China. "Nepal's independence is prerequisite for China's security. Nepal living under the Indian security umbrella is a constant threat to Chinese security," writes professor Wang in his book Nepal's National Defense Strategy and Nepal-China Relations published in 2005.

In his visit to Nepal in March, Tang Jiaxuan State Councilor of the People's Republic of China outlined the Chinese policy towards Nepal. "The Chinese government and people firmly pursue the principle of non-interference in the internal affairs of other countries, have never interfered with the internal affairs of Nepal



Train To Tibet: Victory of Technology over Geography



King Prithvi Narayan Shaha: Astute observation

and highly respect the mode of development chosen by the Nepalese people. We consistently support Nepal's effort to safeguard sovereignty, independence and territorial integrity. Nepal is a sovereign country, and its internal affairs shall not be interfered with any way by any outside forces," said Tang. "We believe that the Nepalese government and people have the political wisdom and capabilities to solve their own problems."

In his recent visit to Nepal, Chinese vice minister Wu Dawei also expressed China's security concern in Nepal reiterating China's stand that Nepalese can settle their problems on their own.

Recently, a five-member delegation led by Iping of China Association of International Understanding, an NGO associated with the Chinese communist party traveled to Nepal and discussed with various political leaders and government officials regarding ongoing peace process

in Nepal. "We came here to know about the ongoing peace process and developments of Nepal," said Iping after meeting deputy prime minister and minister of foreign affairs K.P. Sharma Oli who is shortly paying an official visit to the People's Republic of China.

Throughout centuries, Nepal has survived as a nation because the country stands in equilibrium of powers. Even during the empirical power, Britain always followed a wise opinion of Hastings's advisor's advice not to undo Nepal's independent status.

"Later during the Gurkha War of 1814-16, considerable thought was given to the actual annexation of Nepal but practical considerations and advice of Lord Hastings' adviser on

Himalayan affairs Dr. Buchanan-Hamilton, militated against such policy. He noted that "a frontier of seven or eight hundred miles between two powerful nations holding each other in mutual contempt seems to point at anything but peace," writes A. Lamb in his book *Britain and Chinese Central Asia: The Road to Lhasa 1767 to 1905*. "Indian Empire, particularly during the time of the Curzon administration, and Imperial and Republican China, on the other, was to bear out Buchanan-Hamilton's view over and over again."

Long after, Indian scholar Ramakant had said similar thing but some short sighted illogical strategists occasionally were reminded about the hard realities Nepal. "The lesson remains the same. Some people from this country or that country will suffer and Nepalese will suffer more due to being in conflict area. But, its status as an impendent country cannot be abandoned."

American scholar Leo Rose in his book *Nepal Strategy for Survival* said, "because of Nepal's preoccupation with mere survival, its foreign policy inevitably has a psychological orientation different from that of larger states, including India and China, whose physical attributes are in them a fairly reliable guarantee of security."

Now what is left as a tragic task is rehabilitation of displaced persons and destitute and to rebuild the infrastructure of health, education, local governance and administrative organs. Decades of investment has been destroyed in a moment. Now the number one task before the international community is to support



BP Koirala: Architect of foreign policy

Nepal to rebuild the country in a large scale and for its neighbors not to disturb the hard reality of Nepal.

Whether someone vandalizes the statue of King Prithivi Narayan Shaha, the great – which was vandalized by some well-instructed miscreants in front of central secretariat Singha Durbar recently – or not, no body can change what he prescribed as Nepal's position "a root between two boulders." No power can change Nepal's hard reality observed by him over two centuries ago. Every one has his limits in Nepal. ■

GLOBAL WARMING

Weak Monsoon

For the first time in the last three decades, the country received the lowest rainfall during middle of monsoon

By A CORRESPONDENT

Although no studies have been conducted on the implication of global warming to the monsoon season, it seems that Nepalese weather pattern is gradually facing the consequences of rising temperature in the world.

Usually, Nepal gets more than 350 millimeter rainfall during the month of August but this year the country received below 70 millimeter rainfall. "This is the lowest rainfall in Nepal in last three decades," said senior officials at the Department of Hydrology and Meteorology.

Farmers in different parts of the country have been facing the crisis from this new development in the monsoon season. Since Nepal's major crops depend upon monsoon rain, any change in the rain pattern will have direct impact on the agriculture production.

According to Ministry of Agriculture and Cooperatives, the rice plantation was completed on right time this year as the country received good early monsoon showers in the month of June. Unfortunately, the middle of the monsoon season has been very weak and the farmers are now worried that their production will decline.

As the low pressure continues to be concentrated in the Indian State of Maharashtra and Gujarat, where excessive rainfall has already caused heavy damage, the monsoon was weaker in northern India and Nepal.

From country's major paddy crops to the hydro-power plant, the low rainfall has already

complicated the situation. The reservoir of Kulekhani, country's only reservoir-type plant, has collected less than quarter of the water, which is not adequate to run the generator beyond September.

The Nepal Electricity Authority (NEA) has already announced that there will be massive load shedding from September.

This is the second consecutive year when Nepal received less amount of water in monsoon, which has already caused the depletion of ground water in Kathmandu valley. Compared with last year, the country will have to face more severe power crisis and short supply of drinking water.

These erratic weather patterns are blamed on global warming by some experts. Studies have shown that Kathmandu valley's temperature has already gone up slightly in the last few decades. The time has come now for the government to support the Department of Hydrology and Meteorology to study about the actual implications of global warming in the weather pattern of Nepal and how that can be mitigated. ■

List Of Willful Defaulters Of Bank Loans Made Public

Fifty-three commercial houses have been listed as willful defaulters of loans worth Rs 25 billion from two largest government banks – Rastriya Banijya Bank (RBB) and Nepal Bank Limited (NBL).

Their names were made public by governor of Nepal Rastra Bank (NRB) Bijaya Nath Bhattarai while furnishing replies at the Finance Committee at the House of Representatives.

Bhattarai said that the financial situation of the banks could not be improved until and unless the state took initiative to recover those loans. According to him, 29 commercial houses owe Rs 10.51 billion in outstanding principal and interest amount to RBB whereas 23 commercial houses owe Rs 14.32 billion to NBL.

Among the willful defaulters include big corporate houses, big hotels and even sugar mill. The government has taken loan of Rs 7 billion to reform these two banks after they were pushed to verge of collapse. "If the state does not take action, banks would not improve even if you spend Rs 10 billion," Bhattarai said, adding that some of the defaulters are even included in delegations accompanying official visits of prime minister and senior officials. "The state must at least take action against 8 to 10 defaulters," he said.

Bhattarai urged parliamentarians to take up this issue in earnest. Meanwhile, businessmen were angered by the revelation of the list of willful defaulters.

Saying that the details between the bank and debtor should not have been made public, Chandi Raj Dhakal, president of Federation of Nepalese Chamber of Commerce and Industry (FNCCI), said, "The budget had given two months time and the negotiations were going on as per that stipulation. It is, therefore, inappropriate to have made these things public at this time. This would create crisis of confidence." ■

“Policy Makers Need To Learn Lessons From Recent Nepse Fall”

— NAVARAJ POKHREL

NAVARAJ POKHREL is the president of Nepal Stock Brokers Association. He spoke to SANJAYA DHAKAL about the recent ups and downs in Nepal Stock Exchange and the overall situation of capital market in the country. Excerpts:

How do you assess the recent ups and downs in Nepse?

You have to look at it from different points of views. Policy and practice are two different things. While the policy makers may have framed policies from their perspectives, they failed to take account of practices and performances at the stock market. I think due to policy rumor, small investors lost a lot. Ours is still the rumor-driven market.

Who was to blame then?

It is not proper to point fingers. From their standpoints, the policy makers and bankers are both correct. However, we look at things from stock point of view: that is buying and selling of stocks. It is evident that the policy makers lacked adequate homework. They failed to gauge the consequences of their policies on the stock market. As a result they were forced to commit a second mistake to correct the first one. I hope this episode has taught a lesson to them. On the other hand, bankers generally base their opinions on historic data and past balance sheets. Whereas stock investors have a long-term perspective in their mind. They invest by considering future value of the company.

What about allegations that stock brokers manipulated the market?

These allegations are made to divert attention from the core issue. After all, one must be clear about the nature of jobs of stock brokers. They buy and sell stocks as per the instructions of the investors. Within defined limits, they play with this trading so as to corner maximum profit for their clients. Now look at the recent episode in Nepse, did the brokers change policy? It is the job of brokers to buy shares at minimum possible price and sell them at maximum possible price. They can do nothing more. Besides, the first and foremost impact when a share market

collapses will have to be borne by brokers. So, how can they involve in acts to disrupt the market? It is only a blame-shifting exercise to accuse brokers for the whole thing.

What lessons should the central bank learn from this episode then?

It showed the lack of homework on their part. It also showed the need to open a separate cell within the central bank to look into stock market. That will do away with the current practice where everybody from governor to senior officials were reacting at the Nepse swings. Furthermore, the episode was a stark reminder that the policy makers must also consider the consequences of their actions on the stock market beforehand.

What do you think about the circuit breaker introduced by Nepse?

In fact, we had advised Nepse to introduce the system of circuit breaker way back. We had advised it to introduce the system in order to check unbridled rise in prices of some shares. However, it recently introduced the system to stop the prices of shares from going down more than 2 percent in a single day. We think it was an appropriate step.

What do you say about the charges that only banks and financial companies seem to perform well in Nepse?

Well there are only 130 companies listed at Nepse. Apart from banks and financial companies, good and fundamentally sound manufacturing companies such as Hindustan Lever are also doing very well. It is even giving out 250% dividend to its shareholders. On the other hand those companies who do not have good intentions such as Harisiddhi and Jyoti Spinning have fared badly.

Stock markets are considered to be barometers of economy of a country. How true is it in Nepal's case?

It would be too early to say it is totally true because our economy itself is not that well organized. It is hard to tell whether we are a fully liberal economy or a mixed economy and so on. Besides, at Nepse there are only 130 companies listed. It is unwise to take Nepse as a measuring rod

of national economy thereof. However, it does provide some indications of the national economic performance.

How do you see the situation of stock market at present?

We are still following the old tradition of Open Cry system. Because of ongoing reforms programs, hopefully we will go for online trading within a year. We need experts with understanding of local perspective to expedite reform agenda. On my personal initiative, I have recently opened a website called nepsestock.com where anybody can watch the share transactions live. We need to modernize our capital market.

How many share investors are there in the country? Are the investors educated about stock market?

There are between 750,000 to 800,000 shareholders in the 130 listed companies. This is a small segment of the population. There is total lack of investor education. Most people are unaware about the opportunities offered by share market where you can multiply your investment quickly if invested prudently.

How about the situation of stock brokers?

There are 27 registered brokers. The Stock Brokers' Association is a self-regulating body. We have two representatives at the Nepse also. Elsewhere, the stock markets are generally managed and operated by brokers only. That should happen here also.

How do you see the future of stock market in Nepal?

In the long-term, the future of stock market is quite bright. Long-terms are always guided by fundamentals whereas in short-term sometimes they are affected by speculative/manipulative trading. Only the degree of speculation and manipulation need to be regulated. I see bright prospects of stock market in future. ■



Inclusion of the Excluded Madheshis

By HARI BANSH JHA

Exclusion is a process in which certain groups are systematically disadvantaged and are discriminated on the basis of ethnicity, race, religion, sex, caste, descent, gender, age, disability and other such factors. It deprives such groups of choices and opportunities in social, economic and political spheres, which is a major cause of poverty, conflict and insecurity. In many countries, such a phenomenon is quite distinct in public institutions, legal system, education and health services.

At the global level, 891 million people are victims of discrimination on the basis of the ethnic, linguistic and religious identities. As in many other countries, in Nepal too, various groups of people have been excluded and marginalized socially, culturally, economically and politically due to the exclusionary policy of the state. Even after half-a-century of planning experiment, only a few ethnic and caste groups dominate the power structure as they have administrative and political connections, income, educational and cultural advantages and ability to capture public resources. As a legacy of exclusion, poverty incidence is high among several ethnic groups, including the Madheshis in Nepal.

In the Ninth Plan (1997-2002), the government came out with policies for the development of certain ethnic groups but it failed to recognize Madheshis as excluded group despite the fact that they are victims of discrimination in social, economic and political structure. The Madheshis who constitute nearly one-third of Nepal's total population (31 per cent) are in most disadvantageous position. The per capita income of the Nepalese is Rs. 17,040 or US \$ 240; while the same is Rs. 13,200 for the Madheshi Dalits, Rs. 12,700 for the Madheshi Janajatis and Rs. 10,200 for the Madheshi Muslims.

Among the Madheshis, about 37 per cent of the Dalits and 32 per cent of the Janajatis do not own agricultural land. Among the Terai Dalit groups, 79 per cent of the Musahars are landless and the literacy rate among them is as low as 7 per cent. Similarly, female literacy rate in Madheshi Dalit and Muslim women is as low as 11 per cent. On the whole, 79 per cent of the Dalits, 54 per cent of the Janajatis and 42 per cent of the mid caste population in Terai are illiterate.

A study conducted by International Centre for Integrated Mountain Development (ICIMOD) clearly exhibits worst condition of Madheshis in terms of poverty and deprivation in nine Terai districts, including in Saptari, Siraha, Dhanusha, Mahottari, Sarlahi, Rautahat, Parsa, Bardiya and Kailali. These nine districts in the Terai are among the 25 districts identified as worst districts at the national level by ICIMOD. This brings these Terai districts in the same category of remote mountain and hill districts like Achham, Kalikot, Dailekh, Mugu, Bajhang, Humla, Jumla, Jajarkot, Baitadi and Rolpa. Even the conditions of some of the remote districts like Nuwakot, Darchula, Pyuthan, Dolpa and Myagadi which are in the intermediate category; and Parbat, Lamjung, Sankhuwasabha and Mustang ranked in best category are in better position than the nine worst districts of the Terai.

Unfortunately, it is out of fashion rather than due to the seriousness of purpose that some of the highly resourceful organizations like the World Bank (WB) and Department for International Development (DFID) have raised the issue of inclusion of the excluded groups. Many of facts and figures presented in the DFID/WB report in regard to Madheshis are erroneous. For example,

the Brahmins, Rajputs, Kayasthas, Baniyas, Marwaris and Bengalis are put in the Brahmin-Chhetri (BC) category. How can the caste groups like Baniyas be put in BC category? Similarly, there is no rational as such in putting the Marwaris and Bengalis in BC category? These two communities – the Marwaris and Bengalis – are composite groups which consists all the caste groups from Brahmins to Sudras and as such it is not fair to confuse them with BC category. Even a layman having some understanding of caste groups of Madheshis cannot make such a blunder.

Even from economic perspective, question arises about the way the per capita income of the Madheshi caste groups has been accounted. The per capita income of 1.9 per cent of the so called upper caste Madheshis such as Brahmins, Rajputs, Kayasthas, Baniyas and Marwaris is given as Rs. 23,900, which is higher than the national average per capita income of Rs. 17,040. There is no rational as such to put the so called upper caste Madheshi community such as Brahmins, Rajputs and Kayasthas in the same category as Baniyas and Marwaris as they belong to two distinct economic classes. While the Brahmins, Rajputs and Kayasthas are basically priests/farmers/service holders; the Baniyas, Marwaris and Jains are mostly the business communities.

Moreover, the higher income of the Baniyas, Marwaris and Jains is likely to inflate the income of the other groups such as Brahmins, Rajputs and Kayasthas if the per capita income of these two distinct groups is put together. The question is how can the income of Marwari/Jain groups such as Kedia, Golehha, Mittal and other be equated with Brahmins, Kayasthas and Rajputs who belong to entirely different economic class and whose sources of income also vary?

It is equally faulty on the part of the report to segregate the Madheshi Dalits and Janajatis with the other Madheshi community in the Terai. In the Madheshi community, certain caste groups like the Brahmins, Kayasthas, Sudi, Teli and Yadavs have been put; whereas the Madheshi Dalits and Janajatis have been put separately as if they belong to non-Madheshi group. What is the logic of excluding the Madheshi Dalits and Janajatis from the Madheshi community as a whole? The Madheshi Dalits and Janajatis are as good Madheshis as any other caste groups in the region.

Recently, under the Norwegian fund, the SNV Nepal has treated Madheshis as excluded groups and jumped into race by allotting funds for researches. It is likely that many of the INGOs, bilateral and multilateral donor agencies might follow the suit. But in practice these organizations themselves exclude the Madheshis in the recruitment and decision-making process. What percentage of their total staff is Madheshi?

The WB, DFID, SNV Nepal and host of other bilateral and multilateral institutions preach one thing and do quite different. It is not likely to meet the Millennium Development Goals (MDGs) and attain peace in the post-conflict situation so long as the Madheshi ethnic groups along with other such disadvantaged groups are excluded from the social, economic and political mainstream and in decision making process.

(Professor Jha is Economist and Executive Director of Centre for Economic and Technical Studies –CETS)

BOOK

Discourse On CA

Dahal's book highlights various models of constituent assembly of the world and compares them with situation in Nepal

The constitution is a document of faith. It will be applicable as long as people have strong faith in it. The constitution is just a scrap of paper if people do not have faith in it. In the last five decades, Nepalese have developed expertise in destroying the constitution. After the announcement of first constitution in 1949 by then Rana prime minister, to the present Constitution of Kingdom of Nepal 1990, all constitution faced similar fate as all these constitutions were scrapped in similar conditions.

When the present constitution was written just in the aftermath of popular movement in 1990, there was euphoria that this constitution was the best in the world. Some members of then constitution drafting committee including the CPN-UML general secretary Madhav Kumar Nepal and chairman of present interim constitution drafting committee Laxman Prasad Aryal, had hailed the present constitution as the best constitution of the world. Both of them are now opposing the present constitution arguing that the constitution was incomplete.

There are many other people who have changed their stands one after another. In a country where people do not believe in constitutionalism, no constitution will last long.

From constitution development to CA, author Kashi Raj Dahal explains all its aspects in his latest book. In the second chapter of the book, Dahal also discusses the constitutional history of Nepal from the beginning of 1949 till now. The book is interesting to read to students and those who want to

know about the constitutional development of Nepal.

As the country is heading towards the elections for the Constituent Assembly (CA), various writers and

academicians are coming out with new books on modality, structure and procedure of CA. Having a long experience in the judiciary and having served as a spokesman of Supreme Court and member secretary of Judicial Council, Kashi Raj Dahal has also written a book on CA analyzing the various models of the CA.

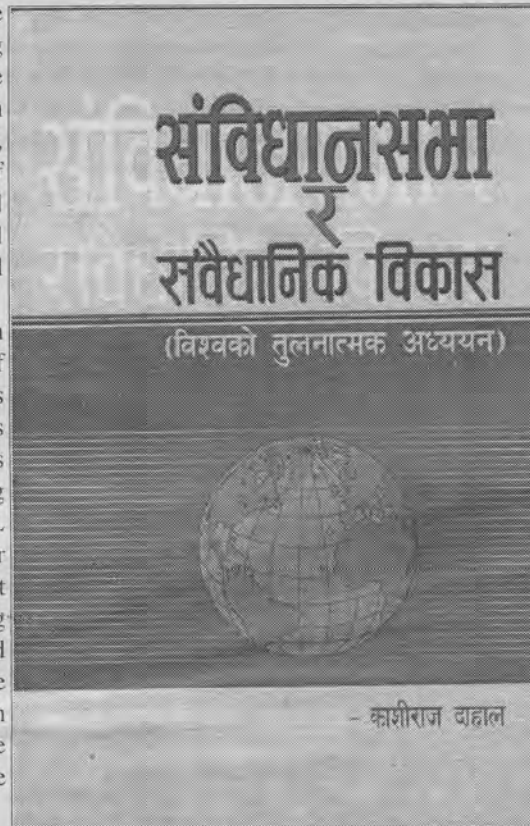
The CA is complicated issue and only a few people understand the formation of it. Many countries around the world have followed various kinds of CA. Some countries have directly chosen the members of assembly. In some countries, the CA was like a convention.

Although the debate of CA has been there for quite a long time, only a few legal luminaries know about the complicated process of CA. Political leaders -who are demanding the CA - seem to be ignorant about it.

Written in Nepali language, the book highlights the process, models and the methods of forming the CA. This is not for the first time when the issue of CA was in public debate. Following the political revolution of 1951, when King Tribhuvan announced to formulate the constitution through the elections of CA, the debate has been there for all the time.

Nepal has a long history of evolution of constitutional process as it has already tested five constitutions in the past. Most of the constitutions were tested in people though the elections. The present Constitution of Kingdom of Nepal was tested in people through subsequent three elections of the House of Representatives and two local elections when more than 60 percent votes were cast. Despite these kinds of legitimacy, the constitution is now at the death bed.

In his book, Dahal discusses about the modality of CA from the United States to Australia and from South Africa to Bolivia. What is lacking in Dahal's book is that he does not elaborate the differences of social, economic and legal system of those countries. Every country has its own social and economic conditions and one country's model is not suitable to another. ■



**Constituent Assembly
And
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(Comparative Analysis of World)**

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CEDAW COMMITTEE MEETING

Call For Action

As the high-powered CEDAW Committee is set to meet this month at the UN, women activists call for General Recommendation on women migrants' issues

By A CORRESPONDENT

In recent years, the issues of women migrant workers have come to the fore. Brushed inside the carpet for a long time, their woes and their concerns are just beginning to get noticed by women activists. And reputed organizations like the United Nations Development Fund for Women (UNIFEM) have started taking up their causes with a remarkable zeal.

As such, women activists around the world are advocating for better conditions and pay for the women migrant workers while ensuring that their basic rights are upheld. And right now their attention is focused on the meeting of CEDAW (Convention on Elimination of All Forms of Discrimination Against Women) Committee that is going to be held at the UN later this month.

The CEDAW Committee is a powerful body that monitors the implementation of CEDAW – to which 116 countries are party including Nepal – and frequently gives out General Recommendations (GR) on specific issues of concerns to women worldwide. The GR are generally binding on the state parties and are taken as strong moral pressure for them to act.

"We appeal to the CEDAW Committee to take up the issue of migrant workers this time and issue appropriate General Recommendations to address their plight," said Babita Basnet, president of Sancharika Samuha and a leading women rights activist. "If it issues the GR on this issue, it would make it easier for us to lobby with the government towards addressing the concerns of migrant women workers," she added.

The UNIFEM organization worldwide is also strongly lobbying for the issuance of GR on migrant women workers' issue. "We believe that such GR would go a long way in protecting the rights of women migrant workers and helping them live and earn with dignity as much as any human being anywhere else," said Sharu Joshi Shrestha, a program coordinator at the UNFEM Nepal Field Office in Kathmandu.

In fact, the issues of women migrant workers are of immediate interest and concern to Nepal. At a time when over 20 percent of the country's GDP is contributed by remittance

amount sent by Nepalese workers overseas, the fact that women contribute over 11 percent of that amount is no mean feat. Apart from promoting human rights, any move to help these women would also make a tremendous economic sense for Nepal.

At present, the situation of Nepalese women migrant workers are far from good. "Although it is improper to ban their movement from rights perspective, there are some issues that must be dealt with to make their migration safe and smooth," said Basnet.

There are some burning issues regarding the plight of Nepalese migrant women workers that need attention such as the fact that their migration still remains unregulated (even though Nepalese women are banned to go for work in Saudi Arabia, unofficial records put the number of women working there at around 30,000); lack of due recognition of their economic contribution; the low status accorded to them by society; lack of freedom of movement (they have to be fully dependent on employers); dangerous and degrading job situation; gender-based violence; and gender forms of racism.

Given these plights the women rights organizations have been advocating for international cooperation to improve their situation. In 2004, NGOs from Nepal had submitted a shadow report on CEDAW implementation in which they had detailed a number of recommendations to help migrant women workers. The shadow report, which was submitted alongside the official government report, recommended that the existing Foreign Employment Act be revised adopting rights-based approach; lifting of ban on women workers in certain countries; facilitate the sending of women to organized sector of employment; ensure the rights of undocumented women workers through government to government talks; ratify the International Convention on Protection of All Migrant Workers and Members of their Families and so on. The report also called for mainstreaming the issues of migrant women workers, sensitizing them about foreign works and culture, among others.

"These issues remain most pertinent to all women migrant workers. Therefore, we are hopeful that CEDAW Committee would do something to address them," said Basnet.

The women activists also demand that Nepal government ratify the Optional Protocol of CEDAW, which they claim, would allow common Nepali woman to knock the doors of the UN and make complaint against any grievance they face that is in contravention of CEDAW provisions. With this, a common woman can get redress from international organization for any violation of her rights, the women activists claim. ■

Govt, Maoists Sign Five-Point Agreement, Agree To Invite UN To Monitor Both Armies

In an attempt to settle the thorny issue of arms management, the government and the Maoists reached a five-point agreement agreeing to invite the United Nations to monitor both the armies. As per the Maoist demand, the Maoist combatants would be confined in cantonments along with their arms while the Nepali Army would remain within barracks. The civilian monitors from the UN would monitor them both. The agreement and the invitation to the UN were separately handed over to UN official Abraham Abraham by coordinators of government and Maoist talks teams Home Minister Krishna Sitaula and Krishna Mahara respectively. The breakthrough in the agreement came after Maoist chairman Prachanda met with Prime Minister Girija Prasad Koirala for an hour at Baluwatar. The five points of the agreement include continuing human rights monitoring through the Office of the High Commissioner for Human Rights in Nepal; and seeking UN assistance in the monitoring of the Code of Conduct during the ceasefire. The third point of the agreement talks about the arms management. It states, "On the basis of the agreement to seek UN assistance in the "management of arms and armed personnel of both the sides", deploy qualified civilian personnel to monitor and verify the confinement of CPN-M combatants and their weapons within designated cantonment areas. Later the modalities for all agreements, including of arms and munitions, will be worked out among the parties and the UN." Likewise, the fourth point states, "Monitor the Nepal Army to ensure that it remains in its barracks and its weapons are not used for or against any side. The modalities will be worked out among the parties and the UN." The fifth point requests for providing election observation for the election of the Constituent Assembly in consultation with the parties. ■

Nepal's Peace Process: It's a Long Way to Tipperary

By MADHUKAR S.J.B.RANA

UN's Steffan de Mistura came and left with "cautious optimism". Most surprisingly, while in transit, he choose to visit India to "exchange notes" with the Indian Foreign Secretary because, according to him, of the Indo-Nepal 'special relations'.

It is worth mentioning that even while the UN arms management mission was in Nepal the Indian Foreign Secretary had organized a meeting, significantly, with all of his South Asian ambassadors here in Kathmandu itself to send a message to the UN bureaucrats that Nepal falls in India's sphere of influence.

To be honest, de Mistura drew a blank and left hoping to fill his notebook with a 'common minimum position' for him to submit to the UN Secretary General; and for which he had left Ian Martin do the follow-up rounds so that a common position could be had by August 11, 2006.

If anything, De Mistura filled his note book with extraneous terms of reference to make up of for the lack of progress when he advised Nepal on how the UN could help us, "provided there is agreement on all sides", over arms and armies' management; expansion of human rights in Nepal; monitoring the code of conduct, and assistance for the elections to the constituent assembly. Note there was no reference, whatsoever, for financial assistance to resettle, rehabilitate and re-employ the real sufferers—the internally displaced people. Nor any reference to financially help re-build the infrastructure destroyed during the conflict.

Come August 11, 2006 Nepal has presented a "common position" which, to put it in diplomatese is an 'uncommon common position'. Why so? Let us analyse its content step by step.

To begin with the reference to the role of OHCHR is a non issue as it is already established here. The request to assist with monitoring the code of conduct raises several vital questions. Who actually will have primary responsibility to monitor, if not the UN? What will 'to assist' entail in terms of money, material, men and procedures for the UN?

What sanctions are to be applied to transgressors where the code of conduct is breached? Is a code of conduct sufficient to ensure peace and guarantee free and fair elections? Is it not necessary to have a formal ceasefire agreement to enable the due process of law to provide it with full legal validity for eventual judicial redress?

The UN is expected to send qualified civilians to monitor and verify the confinement of the Maoist militia and their weapons in 'designated cantonment areas'. The vital issue here is : Who is to designate the cantonment areas? How are we to be sure that the entire militia force and weaponry are actually confined? For how long is the confinement to take place— till after or before the constituent assembly elections? Will the UN accept that the Maoist join the Interim Government and Interim Parliament prior to decommissioning their arms?

Secondary issues that have remained untouched are: who will maintain law and order if hostilities break out in the interim through the actions of its breakaway factions, as is taking place

in the Terai or because of vigilante or mafia actions? What if droughts, floods, flash floods and earthquakes should hit Nepal? Does the armed force remain in their barracks?

Nepal is in a state of free fall. Where history is being re-written with the erosion, if not destruction, of traditional institutions from their pride of place in society like monarchy, the place of Hinduism and, not least, the attempted re-engineering of the one institution that is truly a national institution—the army with its long, glorious history of founding and then preserving the independence and territorial integrity of the kingdom.

The precise parameters of our nation state are a grand unknown. It is as through the foundation of our house, its flooring, ceilings, roofing, walls, windows and doors—its architecture—is in a state of void.

The core societal values, its goals and mission are largely unknown ostensibly to be decide by the constituent assembly. Or is it to be decided by the Interim Constitution, to be submitted for approval by the unelected Interim Parliament as decided by the Interim Government that is to be appointed by heaven knows whom? All this is to take place with the Supreme Court kept in a state of regal limbo not knowing which constitution they are to protect and preserve through judicial interpretation and review.

So, therefore, our religious traditions and our historical legacies are henceforth to be declared taboo being charged with being harbingers of feudalism as though Marxism, Leninism, Stalinism and Maoism are free from the feudal mindset bound by their fascistic, totalitarian political ideologies seeking dictatorship of the proletariat, one party-led people' s democracy and the like.

Only the market, and its expansion, can unleash us from the vice-like grip of our poverty compounded by the fascist ideologies that basically nurtures authoritarian, and a feudal mindset. Markets allow individuals to be sovereign guided by the principles of full economic freedom for entry, exit and expansion in the product and service market places duly regulated by the laws of competition to protect consumers, farmers and workers from all manner of monopolistic business behavior. Full property right for each individual is a must for the generation of national wealth through the dynamics of the market mechanisms.

Conflict erodes social trust. Rapid change, pushed along in an atmosphere of conflict, violence, insurgency and terrorism is bound to generate societal stress, disharmony, distrust and destabilization. In such a uncertain environment, entrepreneurship is retarded and gamblers, bandits, blackmailers, smugglers, tax evaders, political wheeler-dealers take over from entrepreneurs at the cost of national unity and harmony. The mafia is the winner during periods of uncertainties and conflicts.

Ironically, individuals will be forced to seek self-protection by finding their safety and security through solidarity with their own castes, creeds, ethnic communities and class to further undermine broader national values thereby eroding national unity, harmony and trust.

Specially when conflicting political ideologies with competitive party politics under the electoral system of proportional representation could cause further political instability in the absence of statesmanlike, patriotic behaviour from the political and social leaders. And in the absence of political parties that are deeply committed to inculcating a sound culture of democracy through exemplary party good governance nourished by its its past misdemeanours and mistakes.

The greatest danger is the social malaise that tends to unfold with the growing generation gap and the consequential breakdown of the joint or nuclear family systems in rural and urban areas respectively resulting in the erosion of our social capital.

Undoubtedly, Nepalis as individuals and their communities are faced with a crisis of identity. Yes, it may be argued that as individuals in an age of globalization and neo-cosmopolitanism it is genuinely possible for each individual to adopt multiple identities; but is this neither possible nor advisable for a community or a nation. Africa with all its vast empty spaces with an abundance of natural resources and low population density is in desperate condition as a 'lost continent' precisely because its peoples as individuals ape the west while its communities are left with no identity of their own whatsoever.

In such a scenario, it will be wise to put our national faith in the UN principles, systems and the collective security provided by it with moving ahead with greater momentum with the WTO obligations; implementation of human rights as per international law, and ratifying the international treaty on the International Criminal Court.

Conclusions

Upon analyzing the text of the agreement sent to the UN it appears that the UN will have to function as a mediator if they are to play an effective role in the entire peace process and elections to the constituent assembly.

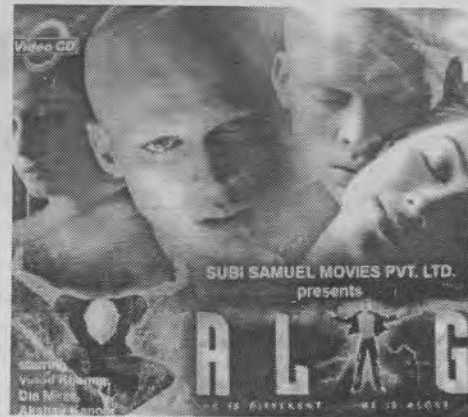
It definitely will be required to play a role that is much more than that of an honest broker, observer or facilitator if it is to succeed in its mission of peace building and arms management give the vagueness of the agreement as to the desired role for the UN. This reasoning is premised on the belief that much of the issues related to the question of the 'how' with arms management is left deliberately vague in the common minimum agreement and thus subject to all manner of convenient interpretations by the government, Maoists, political parties and civil society.

The sum totality of the agreement, at face value, is simply that the UN peace keepers will not be deployed into Nepal with much of the peace building activities to be engaged in by UN mediators and the OHCHR.

Instead of unilaterally declaring and extending the cease fire, it is high time the Maoists unilaterally announced its Declaration of Peace by renouncing violence and stating what the Prachanda path is supposed to be ideologically in the context of the unfolding 21st century. In the absence of this fundamental posture, all this dilly dallying or tactical manipulating with arms decommissioning and ultimate rehabilitation of the Maoist militia would appear to be because, as Maoist leader Dinesh Sharma has lucidly stated, of their strategy is actually to rehabilitate the Maoist militia as an integral part of the Nepal Army. This is a sure recipe for permanent coups from within the army.

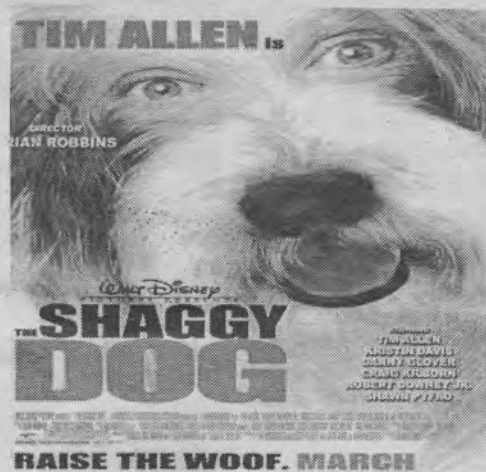
(Author is former Finance Minister)

CINEMA



Hindi

Phir Hera Pheri
Chup Chup Ke Fanna
The Killer
Omakara
36 China Town
Gangstar
Krish
Alag
Goalmaal



English

Shaggy Dog
She's the Man
Down in the Valley
House of Dead 2
Hale Light
Tuespasseus
Kidulthood
Over the Hedge
The Boston
Madea's Family Reunion

Source : Super star Ph : 4242000

GENERAL RUKMANGAT KATAWAL Top In Command

General Rukmangat Katawal is appointed as an acting Chief of Nepalese Army

By A CORRESPONDENT

“K At a time when both the country and the institution of Nepalese Army (NA) are going through testing times, the role of new chief of NA is sure to be both difficult and significant. The new chief, indeed, has a tightrope to walk.

As Nepal's traditional and stabilizing institution of monarchy has already been sidelined because of the over ambition of King Gyanendra, NA, another old institution with equally important contribution to national independence, needs to prove that it is mature and capable enough to excel within the given lawful roles and duties.

In this crucial time, NA has got its senior most, experienced and patriotic General Rukmangat Katawal as its chief. His minor misjudgments and miscalculations at this juncture could damage the institution as well as the country. As an institution, Nepal Army has played important role since the process of national integration begun over two and a half centuries ago. During its long history, the army has seen many ups and downs. However, this is for the first time in its history when some elements within the country and outside are trying to discredit and humiliate it.

Along with his predecessor General Pyara Jung Thapa, General Katawal also faced all kinds of well-designed propoganda against him and army as an institution. The task before general Katawal is to maintain disciplined, efficient and internationally credible armed force.

He also needs to demonstrate to Nepalese people that it is an institution, which stands for patriotism as well as democracy.

After the restoration of multi-party democracy in 1990, the character and ethnic composition of Nepal Army was drastically changed. From high-level officers to army-men, the composition is much diverse and representative of the country's character.

By participating in international peace-keeping operation around the world,



General Katawal: Challenging task ahead

Gorkhapatra

the army has gained a large number of experienced officers and soldiers with international exposure. The institution now is in the process of turning into a thoroughly professional institution.

Although the army has lost many of its members fighting with the Maoists, it

has learned the practical skill of warfare in the difficult terrain of Nepal. As the government has already introduced a bill in parliament making the chief of the Army as a final authority, general Katawal's experience and professional skill will help to maintain the good relations with civilian government.

General Katawal, who has seen all its transformation and changes as a member of this prestigious institution, has no easy time. However, since unlike in the past, the NA has its own pool of professional and capable generals and soldiers, General Katawal will have added advantage.

It is definite that there are people within the government and outside the government who want to irritate NA and him but his major test will be how he maintains his cool temperament in this difficult period.

Despite various efforts by different groups to change the traditional procedures of NA, the government has decided to stick to its tradition on the appointment of new chief.

On the basis of seniority, general Katawal is a legitimate candidate for the Chief of Nepalese Army. Thus, the government appointed him as his predecessor General Thapa completed his four years tenure.

General Katawal is the first commoner to be appointed as chief of the Army Staff. Hitherto, he is the only officer who does not come from the blue blood lineage like Ranas, Basnets and Thapas who traditionally held sway over the appointment as top commander in the prestigious position. In this way, Katawal's appointment has broken a tradition. As reports go he will

prove to be equally efficient, if not more, than his predecessors.

As a chief of Nepal Army, country's oldest and respectable institution, General Katawal has a very big responsibility to carry this institution in this crucial transition period. ■

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