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The National Newsmagazine

SPOTLIGHT

July 06-12, 2007

Reviving Bandipur

CA Elections	:	Fair or Foul?
Judiciary	:	Judges need justice
Budget	:	Hard Preparations

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रु. १,०००/- मा लोटस बचत खाता*

...अब मात्र



Lotus

बचत खाता



नेपाल इन्भेस्टमेन्ट बैंकले तपाईंहरूको विश्वास र चाहनालाई ध्यानमा राखि फेरि ल्यायो जीवनभरको लागि मात्र रु. १,०००/- मा लोटस बचत खाता । यो योजना नेपाल इन्भेस्टमेन्ट बैंकका सबै शाखाहरूमा लागू हुनेछ ।

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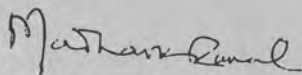
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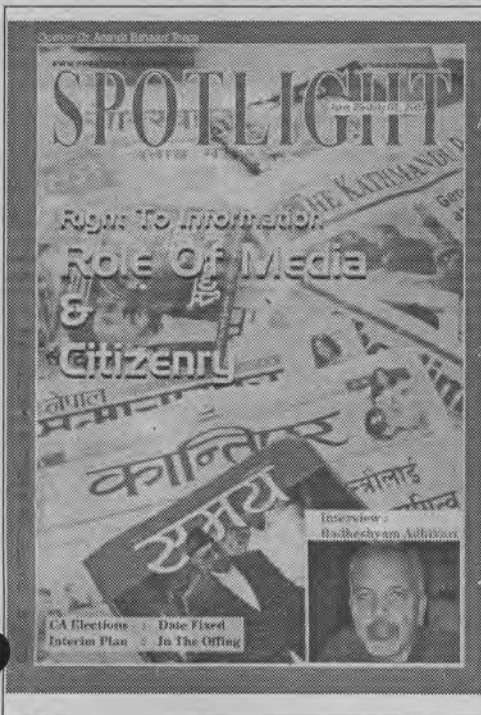
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The lawlessness prevailing all over the country and the helplessness of the government to control the situation has turned the announcement of the date for the polls to the consembly, by the Prime Minister, into a farce. In a situation when the overwhelming illiterate mass does not know what is a Constituent Assembly or what is proportional representation, knowledgeable people too are in a fix how to take the announcement. The undemocratic behavior of the eight party government to prevent all opposition parties from contesting the polls by framing various kinds of unconstitutional rules and regulations that forbid political parties not represented in the parliament even to register with the Election Commission is a clear manifestation of their evil intentions of rigging the elections. The Election Commission is an august, autonomous and independent organization and must be manned by people of irreproachable integrity who can withstand and all parochial and unjust policies and directives of the government that could harm the interests of all those parties who are not in the government. By putting severe restrictions on all opposition, the government has not only tried to bar them from participating in the polls but also curbed their fundamental rights which no body calling himself democratic can even imagine. How the democratic world - representatives of the democratic countries and even the United Nations, could keep mum on such issue is, indeed, revolting to a real democratic person. Besides, the tacit approval shown by the Election Commission by enforcing the undemocratic and draconian regulations has made it amply clear that they are working hand in glove with the government. Had they tried to preserve the image of the august body they are manning by refusing to carry out such prejudicial regulations, not only they would have upheld the honor of the institution they are working for but their stature even in the international arena would have gone enormously high. Unfortunately, that was not to be. Under these circumstances, there is no other alternative for all those who have no links with the eight parties in the government but to sink all their personal and partisan interests and join hands to oppose such authoritarian and prejudicial rules and regulations. If necessary, they should not hesitate to raise their voices in the street. As the uncertain situation deteriorates, it might not be necessary since the chances of the elections being held on the stipulated date are going on receding. As a matter of fact, one influential section in the ruling coalition confided to this scribe on condition of anonymity that none of the eight parties are too keen on the elections as it might end their sunshine days for ever. On the other hand, they also think that this government can in no way stop this lawlessness and killings and murders and instill a sense of security amongst the voters. One very senior leader went to the extent even to confess that the government did not posses the authority to implement the decision. Whether the elections do take place at all or whether they would be free and fair are meaningless for those who are fortunate to make hay and to handle the billions of rupees apportioned for the elections as long they would not be deprived of their big share of the windfall.


Madhav K. Rimal
Chief Editor & Publisher



Media Mission

The cover story "Role of Media and Citizenry" (SPOTLIGHT June 29) has raised a crucial issue about the role of media. In Nepal, media have not yet been subjected to tight scrutiny like other sectors of society. Till now, they have enjoyed relative freedom. However, such situation will not continue forever. Time will come when media themselves will start to raise their issues and bring into debate many important matters such as social responsibility, code of conduct and so on.

*Diwakar Bista
Sanepa*

Media Role

As the country is marching towards the elections of Constituent Assembly, the role of media is going to be all the more important ("Role of Media and Citizenry" SPOTLIGHT June 29). Media must shoulder the responsibility of educating voters and common people about the importance of CA elections. Only educated voters can properly exercise their conscience and employ the power of discrimination to choose appropriate candidates to write their constitution. The CA election is not like the ordinary parliamentary election. As the experts have told us ad nauseum, the CA comes once in a lifetime of a nation. So this opportunity cannot be squandered at any cost.

*Kumar Shakya
Naxal*

Low Confidence

My confidence on the Nepalese media was sharply affected when a few years back a leading vernacular daily published news about a so-called billionaire Rashendra Bhattarai ("Role of Media and Citizenry" SPOTLIGHT June 29). After a few days Bhattarai turned

out to be a fraud. Such information based on speculation misled the people and tarnished the reputation of the media. There are many incidents when Nepalese media have acted irresponsibly. The role of the media is to disseminate information to people. It should not try to give its own opinion about incidents and events. Some newspapers have already started giving their opinion about the recent accusations on the Supreme Court judge and the governor of Nepal Rastra Bank. The verdict from the court has not come but according to media these people are already termed as guilty. Some of my friends say that Nepali media thrives on scandals and sensational news. Nepali media has also not been able to work independently. During King Gyanendra's rule, the media was under tight scrutiny. Now, when the Loktantra has come, the media seems to favor the eight parties. This bias of the media has also played an important role in tarnishing its reputation.

*Mukesh Pradhan
Via e-mail*

People in Dilemma

Although the government has fixed

the date of constituent assembly elections, people are still in dilemma whether it will take place or not. The affected enthusiasm shown by the parliamentarians and leaders belie the fact that they are not in a position to conduct an election which is impartial. The government has also not launched any campaign to make people aware about the constituent assembly yet. People still don't know whom to vote for and what to vote for. The divergent views of different leaders regarding the CA polls have confused people. Some Maoist leaders have asserted in the public that until the monarchy is not abolished the CA polls cannot be conducted. Such insensible comments made by Maoist leaders and some CPN UML leaders show their reluctance to conduct the CA assembly. To conduct an impartial election security is the cardinal issue. The government has not been able to maintain security. Abductions, assassinations and violence are rife in Terai. The issues of Terai have not been properly addressed by the government. The escalation of bandhs in Terai after the CA poll's date announcement is not a good indication. The government has already failed to conduct election in June. If the political situation doesn't improve and all the dissenting groups are not reconciled, then it seems another failure is also inevitable.

*Dolma Sherpa
Boudha*

Enlightening Interview

The interview of advocate and MP Radheshyam Adhikari (SPOTLIGHT June 29) was an enlightening one. He has frankly put forth his views how the eight parties are flouting rules and norms in their race to grab power and gain popularity. The second amendment of constitution and controversial provisions in it has exposed the extent to which they have gone to flout the world-accepted norms of rule of law. Adhikari has shown how helpless wise and sane people like him have become.

*Laxmi Gurung
Thamel*

PM Asks NA To Be Ready To Face Any Challenge

Prime Minister Girija Prasad Koirala has directed Nepali Army (NA) to be ready to face any kind of challenge to the nation. Koirala, who also holds Defense portfolio, traveled to NA Headquarters on Sunday (July 1)



morning and discussed security situation with senior army officials. Earlier, he used to hold such discussions at his residence in Baluwatar. According to NA's Directorate of Public Relations, PM also directed the army to remain alert on security situation in the country. He praised the restraint and maturity demonstrated by NA in the changed context. He said NA shoulders the responsibility of protecting national independence and sovereignty. He said NA's unity, discipline and dutifulness will secure integrity and democratic rights of the country. He assured government's help in modernizing and professional development of the army. At the meeting, army chief General Rookmangud Katawal expressed commitment to carry out orders of the government on the basis of civilian supremacy. PM was presented with various reports at the meeting. *Kantipur daily reports*

Thapa Against PLA Integration Into NA

Surya Bahadur Thapa, president of Rastriya Janashakti Party (RJP), has said it will be wrong to integrate politically indoctrinated soldiers of Maoists'

People's Liberation Army (PLA) into the national and disciplined Nepali Army (NA). "If persons carrying political ideologies are entered into NA, then that will trigger anomalies. We believe that should not be done," he said on Sunday (July 1) after the three-day meeting of central committee of his party. Thapa

also lambasted the constitutional provision that bars those named in Rayamajhi Commission report from contesting elections of Constituent Assembly. He said such provision should be made applicable to only those persons termed guilty by court of law. The RJP has also said it will unacceptable to them if the government tries to fill up the vacancies in local bodies prior to elections. *Kantipur daily reports*

UNMIN Refutes Reports That 400 PLA Men Have Been Disqualified

In response to media reports that around 400 PLA men have been disqualified in the course of second stage verification in Chulachuli camp, the UNMIN spokesperson Kieran Dwyer has issued a clarification. "There has been a range of media reports stating that around 400 Maoist army personnel were disqualified during the verification process conducted by UNMIN at the Chulachuli cantonment site in Ilam - the process completed last week. These numbers are not provided by UNMIN, and in fact they are not correct," Dwyer says in a statement. He has added that

the UNMIN will make figures public, but not at this stage, pending further discussions with the Maoist leadership. In the statement, Dwyer has said that there are three categories of Maoist army personnel that will be disqualified through the verification process. "First, those personnel who registered earlier in the year, but did not report for the verification process. Second, those personnel who joined the Maoist army after 26 May 2006 and, third, those personnel born after 25 May 1988." The statement also says that verification teams only include UNMIN arms monitors, with UNICEF child protection officers and UNDP registration personnel.

Compiled from reports

Talks With Janajatis Drag On

As in the past, the third meeting between the government talks team and representatives of Nepal Federation of Indigenous Nationalities (NFIN) and Indigenous Nationalities Joint Struggle Committee, on Thursday (June 28), also ended inconclusively. However, like in the past, the meeting got stuck on the NFIN demand of ethnicity based full proportional representation election system as well as ensuring a minimum of one candidate (in CA) for every ethnic community. Although NFIN leadership regretted the lack of homework on government's part, they have agreed to meet again within next ten days. "The government could not come up with any proposal today. I hope the eight party mechanism will take up this issue in their meeting on Sunday," said Dr. Om Gurung, member of NFIN talks team. Dr. Gurung said next meeting could be held within ten days. On the other hand, Peace and Reconstruction Minister Ram Chandra Poudel expressed inability of the government to entertain all demands by the ethnic groups. "You can imagine the extent of complications when you are demanding ethnicity based fully proportional representation system and guaranteeing at least one member from each group. There are over 100 ethnic groups in this country. Their population range from 165 to over 1.2 million," Poudel said. *Compiled from reports*

YCL Rejects OHCHR'S Charges

The Young Communist League (YCL) has rejected charges of rights violations made by the Office of High Commissioner for Human Rights (OHCHR). At a press meet on Tuesday (June 26), leaders of Maoist-affiliated YCL blamed that the OHCHR report, made public on Saturday, was politically motivated and was not based on facts. "The charges of abductions, torture and misbehavior are false. In some cases, based on public grievances, we brought some people for discussion," said Ganesh Man Pun, president of YCL. He said that YCL was in favor of peace and progress. "Reactionaries and regressive elements are against us," he said. The YCL leaders have also expressed surprise that instead of many criminal groups active in the country, they were being targeted. The YCL leaders also rejected allegations that their activities had spoiled the environment for elections. On Saturday, OHCHR-Nepal had issued a statement blaming YCL for rights abuses. It had delivered the report, which documents abuses such as abductions and ill-treatment in captivity, attacks on physical and mental integrity, and the violent disruption of political activities, to Maoist chairman Prachanda.

JTMM Splits Again

The Jai Krishna Goit-led Janatantrik Terai Mukti Morcha (JTMM) has split again. Eight commanders of its military side have revolted and floated a separate front with the same name. They floated a new JTMM with eight member central committee led by Bishphot Singh concluding that Goit-led JTMM 'cannot liberate Terai and its people.' Singh told Kantipur that the new front was floated on Jestha 30. "We formed a separate front by revolting together with one company of Terai Liberation Army," he claimed. He also claimed he has 150 armed fighters in his company and vowed to

expand his organization. "Leadership is indulged in personal interest and have become others' agent," he charged. The newly formed central committee includes Jaso Yadav, Surya Narayan Yadav, Shri Yadav, Gugali Yadav, Asharam Yadav, Bam Bholi Singh and Devnath Yadav. Bishphot Singh used to be eastern military commander of Goit-led JTMM. Goit who was once the president of Maoist-affiliated Madhesi National Liberation Front (MNLF) had revolted from the Maoists in Shrawan of 2061. However, two year later in Shrawan of 2063, Jwala Singh rebelled from Goit's JTMM and formed a separate front.

Kantipur daily reports

Results Of FSR Are Encouraging: NRB Governor

Governor of Nepal Rastra Bank (NRB) Bijaynath Bhattarai has said that the achievements of financial sector reform programs till now are encouraging. He informed that reforms in Rastriya Banijya Bank (RBB) and Nepal Bank Limited (NBL) have resulted in profits there. Till the end of 2006, NBL has earned operating profit of Rs 3.84 billion while RBB has earned operating profit of Rs 5.3 billion. Government had invited foreign management to look after these financially bankrupt state-owned banks. They were running in loss before the foreign management took over. Bhattarai said data will help better understand the importance of reforms. On Wednesday, senior political leaders had said the reforms were unsuccessful and said the foreign management should not be renewed. In the four year period, Rs 824.3 million and Rs 480 million have been spent on foreign management group in NBL and RBB, respectively.

Kantipur daily reports

West Seti: Govt No To House Panel View

The government has made it clear to the parliamentary Natural Resources

and Means Committee (NRMC) that Article 156 of the constitution does not come into play while talking about the West Seti Hydroelectricity Project (WSHP). This came in the form of a reply to the NRMC, which had last fortnight written to the government to explain why Article 156 does not come into play when the export-oriented WSHP goes into implementation with Snowy Mountain Engineering Corporation (SMEC) closer to clinching the job. "We have been told that the Article does not come into play at all. They have rejected our view that since WSHP is an export-oriented project, the government must ensure that the same is passed by parliament with the desired majority," said member of parliament from the CPN-UML and member of the NRMC Prakash Jwala. He said that the government has ruled out that Nepal and India were executing the project jointly. "The government has also ruled out asking for free energy since, as has been claimed, the agreement of 2003 has scaled down the demand to cash reimbursement from energy," Jwala further said. The government letter reads that Nepal could expect to have the promised energy when the company executes the Upper Seti project. In reply to a third question concerning suitable rehabilitation of the 760 families from the project site, the government has promised to go by the agreement "which covers rehabilitation aspect." However, not all the families who will be affected are expected to be relocated in Terai, it has been learned. While the NRMC is expected to sit down with Minister of State for Water Resources Gyanendra Bahadur Karki for the last time on the episode very soon before writing its report to him, chief whips of the parties in parliament today spoke in favor of asking for 10 percent energy rather than cash reimbursement. They said the government must table the agreement in parliament in future. *The Himalayan Times reports* ■



SPOTLIGHT Family wishes for good health and long life to King Gyanendra on his 61st auspicious birthday

THE WORLD BANK (WB) HAS SIGNED an emission reductions purchase agreement (ERPA) with the Alternative Energy Promotion Centre (AEPC) for continued implementation of the Nepal Hydro Power project on Sunday. According to the WB statement, more than 142,000 households will benefit from this long-awaited electricity project. This carbon offset project complements the ongoing World Bank Power Development Project to provide increased access to electricity for people living in rural areas. It is anticipated that by 2011, 15,000 kW will have been installed. The generating capacity of these plants will vary from five to 500 kW. Micro-hydro plants are installed for local communities by pre-qualified private companies that receive subsidy and credit support as well as technical assistance. Most of the plants will be managed by the communities themselves. The project developer, AEPC will sell a total of 191,000 tons of carbon dioxide equivalent in emission reductions until 2012 to the Community Development Carbon Fund, managed by the World Bank. There is the possibility to increase the volume of certified emission reductions by at least an additional 100,000 tons, the WB said.

THE US SENATE HAS CONFIRMED THE NOMINATION of Nancy Powell as the next US ambassador to Nepal. "Nancy J. Powell, of Iowa, a Career Member of the Senior Foreign Service, Class of Career Minister, was confirmed by the U.S. Senate on June 28, 2007 to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Nepal," states a press release by American Center in Kathmandu. Powell most recently served as the National Intelligence Officer for South Asia at the National Intelligence Council. Prior to this, she served as the Principal Deputy Assistant Secretary in the Bureau of International Narcotics and Law Enforcement Affairs at the Department of State. Earlier in her career, she served as the Ambassador to the countries of Pakistan, Ghana and Uganda. She will replace James F. Moriarty, who departs in July after serving as U.S. Ambassador to Nepal for three years.

A NEPALI CONTRACTOR AND AN AMERICAN were killed in a suicide bombing carried out by Taliban insurgents in Afghan capital Kabul on Thursday (June 28). The blast in eastern Kabul killed a Nepali contractor and an American in addition to the bomber, Associated Press said quoting Gen. Ali Shah Paktiawal, head of criminal investigations for Kabul police. Three other American contractors and two Afghans

were wounded in the incident.

REPRESENTATIVE OF THE UNITED NATIONS High Commissioner for Refugees (UNHCR) in Nepal, Abraham Abraham, on Thursday (June 28) appreciated the country's "humanitarian response and contributions and ardent efforts" in finding permanent solutions to the protracted Bhutanese refugee crisis. He, however, said that despite Nepal's ratification of most of the UN conventions on human rights, the country has not acceded to the 1951 Convention Relating to the Status of Refugees, nor to its 1967 Protocol. "It is my hope that the parliamentarians may consider acceding to the 1951 Convention at the earliest possible, joining the 146 nations already State Parties to the Refugee Convention and its 1967 Protocol," he said. Launching the two handbooks — "Nationality and Statelessness," and "International Refugee Law: A Handbook for Parliamentarians" — in Singha Durbar, he said the "Long March" started by the Bhutanese refugees was a "legitimate right."



Industrialist Rajendra Khetan, Who is also the acting chief of Nepal-Sri Lanka Cultural, Social, Economic Forum, meets with visiting Sri Lankan Foreign Minister Bogollogama

NEPALIS PURCHASE DRUGS WORTH over Rs 9 billion in a year, reveals a report, adding that domestic industries supply 35 percent of drugs needed. "Nepali citizens spent Rs 9.061 billion in the year 2005-2006. Out of the drugs, consumed here in Nepal, 35 percent was supplied by domestic industries, while the rest was supplied by public and private sectors," Kumod Kumar Kafle, president of Pharmaceutical Horizon of Nepal (PHON), said at an interaction on drugs consumption. Kafle said that the drug consumption rate decreased by 8 percent last year in comparison to the previous year. According to the report, allopathic drugs worth Rs 4.984 billion in retail value were sold through private importers. Ayurvedic/ Unani drugs worth Rs 347 million, veterinary drugs worth Rs 201 million and homeopathic drugs worth Rs 4 million were sold through private importers. "Drugs worth Rs 889 million were imported by the government, UN agencies, INGOs or NGOs," he said. According to the report, domestic industries sold allopathic drugs worth Rs 3 billion 187 million in retail value, while drugs worth Rs 5.103 billion were imported through different custom points. In addition, antibiotics comprised about 30 percent of drugs consumed here, he said, adding that, among drugs manufactured by domestic industries, amoxicilin was the top-selling drug. ■

“Prime Minister Koirala and Nepali Congress are working in a dictatorial fashion.”

Madhav Kumar Nepal, general secretary of the Unified Marxist Leninist (UML).

“You can imagine the extent of complications when you are demanding ethnicity based fully proportional representation system and guaranteeing at least one member from each group. There are over 100 ethnic groups in this country. Their population range from 165 to over 1.2 million.”

Ram Chandra Poudel, Minister for Peace and Reconstruction, explaining the government’s problem in fulfilling demands raised by ethnic groups.

“The way in which judiciary is being targeted, I think it is being done in a planned manner to show that courts are working in guided manner.”

Chief Justice Dilip Kumar Poudel, refuting charges leveled against him by media reports, in a press meet.

“If persons carrying political ideologies are entered into NA, then that will trigger anomalies. We believe that should not be done.”



Surya Bahadur Thapa, president of Rastriya Janashakti Party (RJP) and former prime minister, stating he is against integrating Maoist PLA soldiers into Nepali Army (NA).

“It is the business of the parliament whether to impeach anyone. The government is not thinking of impeaching the Chief Justice. I do not think that the issue has reached such a stage.”

Narendra Bikram Nembang, Minister for Law, Justice and Parliamentary Affairs, in The Himalayan Times.

“Reactionaries and regressive elements are against us.”

Ganesh Man Pun, president of Young Communist League (YCL), rejecting report by UN OHCHR detailing excesses by the YCL.

“Party leaders should refrain from making comments expressing uncertainty about elections.”

Chief Election Commissioner Bhojraj Pokharel, in his interaction with leaders in course of preparing election guidelines and rules.

TRANSITION

LEFT: Maoist chairman Prachanda, for Switzerland, to attend discussions on peace process, federalism and so on.

Senior Maoist leader Dr. Baburam Bhattarai, for Oslo, Norway, to take part in Oslo Forum to discuss peace processes.

Chief Justice Dilip Kumar Poudel, for Beijing, China at the invitation of Chief Justice of China.

ARRIVED: Rohith Bogollagama, Foreign Minister of Sri Lanka, at the invitation of his Nepali counterpart. Nepal and Sri Lanka are observing golden jubilee anniversary of the establishment of their diplomatic ties.

FORMED: A committee led by former Supreme Court judge Narendra Bahadur Neupane, by the government, to probe the whereabouts of disappeared persons. The three-member committee includes advocates Sher Bahadur KC

and Raman Kumar Shrestha as members. The committee has been given six months time to probe the whereabouts of those disappeared since the start of Maoists’ people’s war.

CONFIRMED: The nomination of Nancy Powell, as the next US ambassador to Nepal, by the US Senate.

PASSED AWAY: Hulas Chandra Golchha, industrialist, at the age of 73, of cardiac and kidney ailments.

FUTURE OF NUCLEAR ENERGY IN INDIA

- By Dr. AB Thapa

In future India is going to be heavily dependent on the use of nuclear-energy. Nuclear power stations are operated to meet almost exclusively the base load demand. This type of power generation must be supported by hydropower to meet the peak load. Nepal must keep a close watch on India's nuclear power development plans. It would be highly desirable to plan our hydropower projects in line with India's nuclear power development plans if we want to derive maximum benefits from the export of electricity to India.

Indo-US Nuclear Accord

Signing of an accord to provide assistance to India in development of civilian nuclear power projects has been regarded by press across the world as the main focus of the recent visit of the US President to South Asia. It has become quite remarkable that the US Government has decided to provide such assistance in breach of the existing rules that prohibit transfer of nuclear technology to countries, like India, that do not allow their nuclear facilities to be inspected and monitored by the IAEA to ensure that they are being used strictly for non-military purposes. Quite serious is the charge against India that it had already violated the treaty to ban any type of nuclear bomb tests. As a result, quite a large number of the US politicians are critical of such a deal. Against all these odds the USA has taken the decision to provide assistance to India to establish nuclear power stations.

According to President George Bush such decision is in the interest of the United States

Worldwide Use of Nuclear Energy

In 1998 a total of 437 nuclear plants operated worldwide. Another 35 reactors were under construction. Eighteen countries generate at least 20 percent of their electricity from nuclear power. The largest nuclear power industries are located in the United States (107 reactors), France (59), Japan (54), Britain (35), Russia (29), and Germany (20). In the United States, no new reactors have been ordered for more than 20 years. In many developed countries public opposition, strict building and operating regulations, and high costs for waste disposal have made nuclear power plants much more expensive to build and operate than plants that burn fossil fuels.

There were more than 100 nuclear power plants operating or being built in the United States at the beginning of 1980s. In 1996 about 22 percent of the electric power generated in the United States came from nuclear power plants. In the aftermath of the Three Mile Island accident in Pennsylvania in 1979 safety concerns and various economic factors led to suspension of additional growth of nuclear power plants in the United States. No orders for nuclear

plants have been placed in the United States since 1978, and even some of those plants that had been completed have not been allowed to operate.

France occupies the topmost position in use of nuclear energy. At present France generates 80 percent of its electricity from nuclear power. However, it has recently canceled several planned reactors and may replace some of her aging nuclear plants with fossil-fuel plants for environmental reasons. As a result, the government-owned electricity utility, Electricité de France, plans to diversify the country's electricity-generating sources.

Varieties of Nuclear Reactors

There are varieties of nuclear reactor types in operation worldwide. They are characterized by the type of fuel, moderator, and coolant used. Nuclear reactors have been built throughout the world for the production of electric power. In the United States, with few exceptions, power reactors use nuclear fuel in the form of uranium oxide enriched to about three percent Uranium-235. The moderator and coolant are highly purified ordinary water. A reactor of this type is called a light-water reactor (LWR). This type of nuclear reactors had been built from the very early period in the USA and the former USSR.

In the pressurized-water reactor (PWR), a version of the LWR system, the water coolant operates at a pressure of about 150 atmospheres. It is pumped through the reactor core, where it is heated to about 325° C. The superheated water is pumped through a steam generator, where, through heat exchangers, a secondary loop of water is heated and converted to steam. This steam drives one or more turbine generators. Afterward it is condensed, and is pumped back to the steam generator. The secondary loop is isolated from the water in the reactor core and, therefore, is not radioactive. A third stream of water from a lake, river, or cooling tower is used to condense the steam. In the USA this type of nuclear reactor was developed by Westing-house.

In the boiling-water reactor (BWR), a second type of LWR, the water coolant is permitted to boil within the core, by operating at somewhat lower pressure. The steam produced in the reactor pressure vessel is piped directly to the turbine generator for the generation of power. Thereafter it is condensed and pumped back to the reactor. Although the steam is radioactive, there is no intermediate heat exchanger between the reactor and turbine to decrease efficiency. As in the PWR, the condenser cooling water has a separate source, such as a lake or river. In the USA this type of nuclear reactor was developed by General-Electric.

In the initial period of nuclear power development in the early 1950s, enriched uranium was available only in the United

States and the former Union of Soviet Socialist Republics (USSR). The nuclear power programs in Canada, France, and the United Kingdom therefore centered about natural uranium reactors, in which ordinary water cannot be used as the moderator because it absorbs too many neutrons. This limitation led Canadian engineers to develop a reactor (PHWR) cooled and moderated by deuterium oxide (D₂O), or heavy water. The Canadian deuterium-uranium reactor known as CANDU has operated satisfactorily in Canada, and similar plants have been built in India, Argentina, and elsewhere.

In the United Kingdom and France the first full-scale power reactors fueled with natural uranium metal, were graphite-moderated, and were cooled with carbon dioxide gas under pressure. These initial designs have been superseded in the United Kingdom by a system that uses enriched uranium fuel. In France the initial reactor type chosen was dropped in favor of the PWR of U.S. design when enriched uranium became available from French isotope-enrichment plants. Russia and the other successor states of the former USSR had a large nuclear power program, using both graphite-moderated and PWR systems.

The power level of an operating reactor is monitored by a variety of thermal, flow, and nuclear instruments. Power output is controlled by inserting or removing from the core a group of neutron-absorbing control rods. The position of these rods determines the power level at which the chain reaction is just self-sustaining.

Fast Breeder Reactors

Uranium, the natural resource on which nuclear power is based, occurs in scattered deposits throughout the world. Its total supply is not fully known, and may be limited unless sources of very low concentration such as granites and shale were to be used. The main disadvantage of the LWR nuclear power system is its very low efficiency in the use of uranium: only approximately one percent of the energy content of the uranium is made available in this system.

The key feature of a breeder reactor is that it produces more fuel than it consumes. It does this by promoting the absorption of excess neutrons in a fertile material. Several breeder reactor systems are technically feasible. The breeder system that has received the greatest worldwide attention uses Uranium-238 as the fertile material. When Uranium-238 absorbs neutrons in the reactor, it is transmuted to a new fissionable material, Plutonium.

The breeder system that has had the greatest development effort is called the liquid-metal fast breeder reactor (LMFBR). In order to maximize the production of plutonium-239, the velocity of the neutrons causing fission must remain fast—at or near their initial release energy. Any moderating materials, such as water, that might slow the neutrons must be excluded from the reactor. A molten metal, liquid sodium, is the preferred coolant liquid. Sodium has very good heat transfer properties, melts at about 100° C, and does not boil until about 900° C. Its main drawbacks are its chemical reactivity with air and water and the high level of radioactivity induced in it in the reactor.

Development of the LMFBR system began in the United States before 1950, with the construction of the first experimental breeder reactor, EBR-1. A larger U.S. program, on the Clinch River, was halted in 1983, and only experimental work was to continue. In the United Kingdom, France, and the former USSR, working breeder reactors were installed. Experimental works continued in Germany and Japan.

The first large-scale LMFBR plant for the generation of electricity, called Super-Phénix, went into operation in France in 1984. An intermediate-scale plant, the BN-600, was built on the shore of the Caspian Sea for the production of power and the desalination of water. The British have a large 250-MW prototype in Scotland.

The LMFBR produces about 20 percent more fuel than it consumes. In the LMFBR system about 75 percent of the energy content of natural uranium is made available, in contrast to the one percent in the LWR.

India's Nuclear Energy Generation Plans

India had formulated three-stage nuclear programme under the guidance of its renowned nuclear scientist late Homi J. Bhabha. The first stage comprised setting up of Pressurized Heavy Water Reactors (PHWR), Boiling Water Reactors (BWR) and Light Water Reactors (LWR). The second stage involved setting up of Fast Breeder Reactors (FBR) backed by reprocessing plants and plutonium based fuel fabrication plants. The third stage of the Indian nuclear power programme will be based on the thorium-Uranium-233 cycle.

Nuclear Reactors in India

Currently there are 12 PHWR in India. Earlier two BWR were set up at Tarapur, Maharashtra, in 1969 to jump-start the nuclear power programme. The total installed capacity of all these 14 reactors is 2,770 MW.

It is said that at present six PHWR are under construction in various parts of India. Similarly two LWR each of 1,000 MW capacity are being constructed at Kundankulam in Tamil Nadu with Russian collaboration. India is planning to have an installed capacity of 20,000 MW by 2020.

Fast Breeder Nuclear Reactors in India

It is reported that an indigenous 40 MW Fast Breeder Test Reactor using the unique mixed uranium-plutonium carbide fuel has been operating at the Indira Gandhi Centre for Atomic Research, Kalpakkam, Tamil Nadu since 1985. The experience with this test reactor has given India the confidence to launch a very large programme based on Fast Breeder Reactor technology. In September 2003, the Government of India approved the construction of a 500 MW Prototype Fast Breeder Reactor.

It is projected that in the final stage Indian nuclear power programme would be based on the thorium-Uranium 233 cycle. Thus India would be able to use its own abundant thorium deposits. This factor is said to be instrumental in encouraging to launch the fast breeder programme in India.

(Dr. Thapa writes on water resources)

CIAA ACTION

Raises A Storm

Difference of opinion between two commissioners along with concerns expressed by the World Bank and employees has put CIAA action in controversy

By SANJAYA DHAKAL

Even within the Commission for Investigation of Abuse of Authority (CIAA), the decision to file case of corruption against governor of Nepal Rastra Bank (NRB) Bijaynath Bhattarai and director Surendra Man Pradhan was not made unanimously.

Of the two commissioners currently handling the anti-graft body, Lalit Bahadur Limbu favored filing the case while Bed Prasad Shiwakoti differed with the opinion. Later, the opinion of Limbu prevailed as he is the acting chief commissioner.

The two remain suspended since the filing of corruption case at the Special Court. The Court has freed Pradhan on bail amount of Rs 50,000 while Bhattarai has been asked to appear for court hearing within 15 days to face charges of corruption of Rs 24.5 million.

Reports say that the CIAA has charged that the alleged officials have embezzled the amount in terminating the contract of American firm IEF Inc in association with KPMG, Sri Lanka in February 2006 for financial sector restructuring project, which is being executed with the assistance of the World Bank.

However, the case of corruption has generated a controversy. Even employees of Nepal Rastra Bank (NRB) have joined hands to protest CIAA action. They went to the office of CIAA and picketed it on Sunday to show their protest.

The NRB employees have accused that the CIAA action was taken at the behest of finance mafia and bank loan defaulters black-listed by the NRB.



Bhattarai: Faces controversial action

President of central bank employees association Basanta Raj Pandey has warned that the CIAA action could affect the financial sector reforms program. "The contract of foreign management in Nepal Bank Limited is ending on July 21. There is uncertainty what happens after that. A program in which Rs 7 billion have already been invested cannot be put under such uncertainty. The government and the CIAA will be responsible for any problem," he said at a press meet.

The employees have even said they have proof to show no corruption was committed in the whole process.

Meanwhile, the case could not have come at worse time for the government. Finance Minister Dr. Ram Sharan Mahat has already said he was 'stunned' by the CIAA action. He expressed concern over the financial sector reforms program. The program is being implemented with the help of World Bank and the latter has already stated its worries. Dr. Mahat knows it well that worrying donors like WB, which also gives budgetary support, at this crucial hour when he is preparing budget for coming fiscal year is not a good idea.

The World Bank has already issued a statement hoping for professional investigations based on credible evidence. "The World Bank's attention has been drawn to the controversy surrounding alleged fraud in a World Bank financed contract administered by the Nepal Rastra Bank," states a press release issued by the Bank. "We take these allegations very seriously and hope that the investigations are carried out in a professional manner and on the basis of credible evidence," said Susan Goldmark, the newly appointed World Bank Country Director for Nepal, in the statement.

In the statement, WB has said that their initial internal review of the "allegations and the circumstances around them" have not shown any wrongdoing. "At this point we can confirm that the World Bank provided it's no objection to both the award and termination of Nepal Rastra Bank's contract with IEF Inc. under routine World Bank procedures. Furthermore, we have received a copy of the consultant's Inception Report, which was the basis for Nepal Rastra Bank's release of payment to IEF Inc.," Goldmark added.

"More importantly, we hope that the uncertainty will clear soon so that Nepal's attention can be refocused on the important task of reforming the financial sector," said Goldmark. "We hope that these recent developments do not undermine the morale of staff of the Nepal Rastra Bank who are leading these efforts in a very challenging environment," she said.

Adding to the mystery, the CIAA, in its charge-sheet has mentioned that Bhattarai has been avoiding arrest. This charge falls flat given the fact that Bhattarai was found meeting with Finance Minister in Finance Ministry on the same day the CIAA filed the case at the court. "I have been attending office. You can verify the register there. I am doing my official duties. How can I be evading arrest?" asked Bhattarai, who has been provided police security by the government since a long time. ■

BUDGET 2007

Hard Preparations

Finance Minister says he is overwhelmed by demands on unproductive sector

By SANJAYA DHAKAL

It is an unusual time. There is no debate on that. Obviously, Finance Minister Dr. Ram Sharan Mahat is also faced with unusually high demands for unproductive expenses as he prepares the budget for coming fiscal year 2007/08.

In an uncharacteristic exasperation, Finance Minister Dr. Ram Sharan Mahat came out in public stating that he has been overwhelmed by the huge demands of budget on unproductive sector.

"If I prepare the budget by accommodating all those demands, it could cross Rs 200 billion," said the minister.

All kinds of people including political representatives, Maoists, local bodies and others have made big demands. "We cannot bear such huge demands," he said.

This year, the budget is definite to become unbalanced as the government cannot escape spending on some unproductive sectors. "The budget will look like an overweight person - with skinny legs to support the inflated body," said an economist. And like in human physique, obesity is equally harmful in national economy.

There are some totally unavoidable expenses - such as the need to spend billions of rupees on managing the Maoist People's Liberation Army (PLA), spending on Constituent Assembly elections and the possible increase in expenditure on salaries to government employees.

These apart, the ever-increasing bill of petroleum import have also bled the national coffer. Shortage of petroleum products have worsened once again after the sole supplier Indian Oil Corporation (IOC) has stopped supplying on credit. "It is supplying only that quantity of oil for which we make the cash payment," said Umesh Dahal, deputy executive

director of Nepal Oil Corporation (NOC). The IOC has put forth two conditions to NOC for normal fuel supply - full payment of current supplies and monthly installment payment of Rs 240 million to clear back dues worth Rs 4.48 billion.

As there are no signs of decrease in fuel price in international market and as domestic political leaders are scared of increasing the market price fearing the public backlash, the unnaturally low price of fuel that NOC is compelled to fix is eating up the financial fundamentals of the country. Worse, the political leaders have clearly said that they will not adjust fuel price till the elections. They have openly aired their fear that any decision to hike fuel price could be exploited by rogue elements to create anarchy and unrest.

Dr. Mahat has already said he was weighed down by huge demands for budget for the purpose of Constituent Assembly (CA) elections. He said, "Normally we used to spend around Rs 1 billion during past general elections. But this time you cannot imagine how much the demands have increased."

Dr. Mahat said that the Election Commission (EC) alone has demanded Rs 2 billion while police have demanded Rs 5 to 6 billion for providing security.

The FM said he was planning to finalize this year's budget within the total outlay of Rs 175 billion.

Adding to the woes of FM, the anti-graft body has filed case of corruption against governor of central bank throwing the financial sector reforms program off-track. And this reform program is one of the major conditions based on which donors like World Bank can agree to provide budgetary support.

The huge increase in demands for spending has come despite the fact that



Dr. Mahat: Weighed down by demands

the pace of spending has not increased correspondingly.

A recent report showed that the budget allocated for local development could not even be half spent due to lack of mechanism to manage the local bodies. Till the completion of 11 months of the current fiscal year, only 47 percent budget could be spent. Last year's budget had allocated Rs 8.19 billion to Local Development Ministry of which only Rs 3.83 billion have been spent as yet.

The budget is expected to focus on peace, reconstruction and inclusive development, among others. This is going to be the first budget of the coming three-year plan period. "We have estimated over Rs 500 billion for the three-year interim plan," said Dr. Jagadish Chandra Pokharel, vice chairman of National Planning Commission (NPC), adding that some Rs 170 billion budget will be allocated for the coming fiscal year.

The two-day meeting of National Development Council (NDC) ended last week by approving the approach paper of the interim plan. The three-year interim plan focuses on reconstruction, rehabilitation and infrastructure development, among others. The NDC met approved the approach paper of the interim plan, which aims to invest Rs 587 billion in the next three years. The government aims to achieve a 5.5 percent growth rate during the plan period and reduce the poverty level to 24 percent. "The NDC meeting has given a message that now the development will move forward based on understanding," said Dr. Pokharel. Interestingly, the Maoists had presented a separate 16-point note stating their differences with the interim plan paper. ■

TOURISM

Revival Of Bandipur

Although the process is slow and steady, Bandipur, western Nepal's old business city, 130 kilometers west of capital, is gradually reviving now with a new identity and new prospect. The process of revival is still in initial phase; as Bandipur is gradually establishing itself as a new destination for domestic as well as international tourists.

By KESHAB POUDEL in Bandipur

Jeevan Lal Shrestha, 53, who runs a small hotel and restaurant in main market, returned to his old hometown two years ago hoping to tap the tourism potential of Bandipur.

Following the completion of seven kilometer long black topped road from Dumre, the volume of people visiting Bandipur has gone up tremendously. Along with other tourists, Nepalese tourists from Pokhara, Bharatpur and Kathmandu are also coming in the large scale.

"We cannot revive Bandipur in its traditional form as a north south trade corridor but I can see a lot of possibility to revive Bandipur as a tourist destination," said Shrestha, who returned to his old town which he had left decades back following relocation of district headquarters from Bandipur to Damauli.

Situated over 6000 feet above the sea level, Bandipur has both cultural and natural attractions. One can view all the major mountains like Dhaulagiri, Manasalu, Annapurna, Lamjung, Ganesh and Langtang to its north east.

"Many local inhabitants, who left Bandipur - are coming back. With the support from some non-governmental

organizations and Nepal Tourism Board, we have already developed various packages to tourists. Our home stay package is very popular among the domestic tourists," said Shrestha.

Chandra Lal Shrestha, 73, always feels relieved to come to Bandipur hot and previously malaria infested Dumre. "If peace prevails and the highways become orderly, Bandipur can turn into another hot tourist spot," said Shrestha.

Situated near the four main places of tourism attractions including Annapurna and Manasalu trekking routes, Pokhara and Chitwan National Park, Bandipur can tap a large number of domestic as well as international tourists.

Local people acknowledge the active role played by MP Govinda Raj Joshi whose vigorous attempts made it possible to have blacktopped road in Bandipur from

Dumre. "Had not Govinda Raj Joshi pressed Road Department, they would not have completed the road last year," said Shrestha.

"In the initial step, the road was blacktopped and physical environment has improved a lot through the mobilization of local community. People

have started to realize the need to revive Bandipur," said former minister and MP Govinda Raj Joshi, who represents this constituency. "As a member of parliament representing Bandipur, I feel privileged to work to promote Bandipur."

From small lodges to big resorts like Bandipur Mountain Resort, with all modern facilities, basic infrastructures are there in Bandipur to cater to tourists. Bandipur Mountain Resort, which lies amid pine and sal forests, is a star hotel with swimming pool and spacious rooms.

"During tourist season, foreigners come to visit us. If the peace prevails, we are expecting to see more tourists this year," said Bijaya Parajuli manager of Bandipur Mountain Resort. "Bandipur has great potential to revive as a tourist destination. We can cater service to domestic tourists during the off season and foreigners during season."

As was predicted by Linda L. Iltis, a Ph.D candidate at the University of Wisconsin Madison back in 1980 in her article An Ethno-historical Study of Bandipur published in journal of Research Center for Nepal and Asian

Studies, Bandipur finds its own identity now.

Writer Linda Iltis writes, "One can not restore Bandipur as a past trade center between north and south corridor but it can be revived in a different way. The future of Bandipur may be quite different from its past as a trade network center. The current trends indicate a shift towards its development as an educational, cultural and tourist center."

This is what the present trend of revival of Bandipur looks like. Along with the tourism, Notredam Boarding School, which was shut down for few years following Maoists threat, has also greatly contributed to revive Bandipur.

Not only for mountain ranges, can one see the bazaar with rich Newari architecture and quiet and peaceful atmosphere. With abundance of nature and culture, Bandipur makes a good overnight stop route between Pokhara and Kathmandu.

This town is composed of mixed population. Newars live at the core areas while in outskirts Magars, Gurungs, Brahmin, Chettris and others live.

It is said that the Magars are earliest settlers of Bandipur and they came there long before Newars. Most of the surrounding hills are occupied by Magars or Gurungs. The temple of Khadga Devi, Vindavasini and Mukunda Swari are very prominent.

According to American Anthropologist, Iltis, around the beginning of the 19th century or 1775-1800, there began an influx of a new population in the area of Bandipur. From Bhaktapur, in the Kathmandu valley, a number of Newar families of reportedly merchant status began moving into the community.

This new influx marked the beginning of a major change in subsistence patterns, and absorption of new cultural patterns and traditions into the community, which brought a transformation of a rural hill village into a thriving cosmopolitan trade center.

When significant Newar migration eventually took place around 1800, Bandipur rapidly developed as an important trade center. According to Francis Buchanan Hamilton British Resident Representative to the court of Nepal, there existed north south trade route along the Marsyangdi River. This

represents the north-South trade route with which Bandipur was, and is, directly connected to Tibet on the north and India on south. Although Bandipur

served as a trade route between Tibet and India, it was closed down in early 1800s. According to Hamilton, this was done mainly to prevent invasions from the South by foreign troops, and to channel trade traffic into a limited number of routes.

According to Mahesh Chandra Regmi, following the order of the government, the

Bandipur track was closed down in June 1804. Historian father L. Stiller argues that the route was closed down to prevent Sanyasi rebel entering to Nepal from southern border through Marsyangdi.

The early trade probably began as Tibetan salt in exchange for Nepali rice. According to Brian Hudgson, Bandipur involved in trade with Tibet. In addition to this, Bandipur was also involved in internal trade with areas directly north and south of Bandipur.

It is the Newari resourcefulness and investment in capital that brought about the shift in Bandipur from a rural hill village to a thriving trade center. Although there were Gurung and Magars living in surrounding areas of Bandipur, Newars introduced a style of architecture which contrasted sharply with that of the Magar. They used bricks as the main building material and also produced clay tiles as roofing material.

Following certain interruption after 1804, Bandipur again regained its posture. During the Rana period (1846-1951), Bandipur was a zonal headquarters of the zone west no 3. This naturally increased the flow of traffic through Bandipur Bazaar, further enlarging opportunities for trade and commerce and creating a convenient site for formal business transactions. The zonal headquarters was eventually moved to Pokhara while Bandipur remained a district headquarters.

Malaria eradication in Chitwan began in the early 1950s and marked opening of this area to settlement by the hill people. The prospect of new land investment was



Bandipur: Old glory still lives

a great attraction, and Newars of Bandipur jumped at this new opportunity to expand their monopoly of trade southward by setting up a new business community called Naryanghat from where the Indian border could be reached in one day's walk.

After dissolution of elected parliament and introduction of Panchayat in 1960, the district headquarters was removed from Bandipur to Damauli. Although local people protested the decision to move the district headquarters, it was removed by force.

After the transfer of district headquarters, significant transformation took place in Bandipur. Traffic volume came down considerably as the traffic was directed to Damauli. The construction of new road linking Kathmandu and Pokhara begun in 1968 which shattered remaining hope of revival for Bandipur.

Although the access road was designed from Bandipur to Dumre with support from American Peace Corps volunteer, it could not stop the flux of population moving from Bandipur and down to the Highway.

After years of lull, it is now gradually reviving its potential as a tourist center or center for recreation. From a major trade center in the early 1950, Bandipur is now establishing its identity as a new tourist destination. ■

'We Do Not Want To See Nepal Become A Totalitarian State'

-Ambassador Moriarty

Our concern is that if Nepal degenerates into instability the entire region could become unstable. Another of our strategic interests is to see to it that Nepal does not become a totalitarian state exporting revolution to the neighborhood, because that also breeds instability in the region.

The US ambassador JAMES MORIARTY is leaving Nepal shortly at the end of a three-year tenure. He has been the most controversial American ambassador since the establishment of diplomatic relations between Washington and Kathmandu. Some hailed the out-spoken diplomat for what they say as calling a spade a spade, while some others accused him of crossing the limits of diplomatic norms. As he prepared to leave, ambassador Moriarty spoke with SUSHIL SHARMA of the BBC Nepali Service. Excerpts of the interview broadcast last week:

How do you assess your three-year tenure as an ambassador of the world's only super power?

It has been very exciting. It had been a period of a very important transition for Nepal towards peace, prosperity and democracy. These values are in accordance with the basic interests of the US in Nepal.

In total, how would you describe your tenure – a success, a failure or so so?

Oh, it had been a brilliant success (laughs). On a serious note, I must say that our success is measured on whether Nepal has moved towards peace and prosperity. I think, Nepal is on the right track.

Many believe you had been a miserable failure. You tried to bring the king and the mainstream political parties together, but failed. You tried to prevent the alliance between the Maoists and the parties, you again failed. Then, you tried to prevent the Maoists from joining the parliament and the government. In vain, again.

Perhaps there were people who had a better vision in some respects than me. I desired that the king should side with democracy. It would have been better. A national consensus on democracy would

have been lot better for Nepal. But it did not materialize.

So, weren't you a miserable failure?

I am often criticized because I keep on saying that the absence of war does not necessarily bring peace and that violence must totally end.

How did you feel like over such criticism? You became the most controversial ambassador ever.

Probably I would have felt that I had not been doing my job if there had been no such criticism.

Due to such criticism you were in a constant media spotlight. Would you regret missing it once you leave Nepal?

I am happy to have become a media star. I would not regret missing it. But my biggest concern even after I leave would be whether or not the peace process succeeds. I hope, it would succeed. I will continue to have a close watch on the developments in Nepal even from far away.

Given the prevailing situation, how do you see the prospects of peace and prosperity?

Certainly I see a good prospect if the constituent assembly elections are held in free and fair atmosphere.

Well, that is a big IF?

May be. But I believe that the people and the government of Nepal and the external actors should move towards that direction. They should speak up to say that violence can not be tolerated and the commitments must not be broken. This should not be left to one individual. In any case, I am about to leave. It is up to the Nepalese people to speak out.

There is still fear about anarchy despite elections. Do you have such apprehensions too?

That fear points to the uncertainty prevailing

presently. All should work to remove this uncertainty.

Lately, a number of speculations have been doing rounds. Like, a Maoist takeover, a military coup or a royal comeback. Do you see any such possibility?

All these depend on the degree of the unity of other parties and the Nepali people and the consensus on holding the elections.

What is your assessment as the ambassador of the super power?

You caught me in a good day. I believe that the Nepalese people will not let anyone spoil the future of Nepal.

But many still suspect the intentions of the Maoists. You are one of them. But you rule out a Maoist takeover?

Maoists are not that strong enough. If the people and the political parties do not let them, the Maoists can not take over.

What about the possibility of a military coup?

The Nepalese army has repeatedly vowed to remain under the control of a democratic government and remain loyal to it. I do not see any reason to doubt them. I have not seen any evidence of a military coup.

And a comeback by the king?

The king may have wished it. But he does not have power to fulfill it. The military is no longer loyal to the king as it used to be. The king has no popular support. So, I don't see the king staging a comeback.

How do you see the future of Nepal without a monarchy?

This is up to the Nepalese people to decide. There are countries with monarchy and there are also countries without monarchy.

Of course, this is something to be decided by the Nepalese people. My questions is: irrespective of what the people decide how do you see the future of Nepal without a monarchy?

It is not necessary that a country would drift without a monarchy. So, if the Nepalese people decide to get rid of monarchy, they will find ways to cope with the new situation.

How will the US cope with such a situation?

As I said, we have no opinion on whether or not the monarchy should be retained. I have



no personal relations with the king either. If the people decided to remove the king, it would not affect my work even if I were to continue here.

What is the US' strategic interest in Nepal given the rivalry between the two nuclear neighbors?

We have a long-term historical interest in Nepal. Situated between the two big and most populous countries Nepal is a very important piece of territory. That Nepal should not become a factor of instability in the region is what constitutes our strategic interest here. Our concern is that if Nepal degenerates into instability the entire region could become unstable. Another of our strategic interests is to see to it that Nepal does not become a totalitarian state exporting revolution to the neighborhood, because that also breeds instability in the region.

What would be the US' reaction if stability eluded Nepal even after the constituent assembly elections?

Great disappointment! But even then we would continue to assist Nepal to bring it on the road to peace and prosperity.

Lastly, what would you describe as the most memorable experience or incident of your three-year tenure in Nepal?

Obviously that day when the king backed down and it became clear that the parties would regain power, the parliament would be re-instated and the peace process would begin.

But he does not have power to fulfill it. The military is no longer loyal to the king as it used to be. The king has no popular support. So, I don't see the king staging a comeback.

CONSTITUENT ASSEMBLY ELECTIONS

Fair or Foul?

With the announcement of date, uncertainty about holding the elections for Constituent Assembly (CA) came to an end. The question now is whether it will be fair or foul elections?

By KESHAB POUDEL

As the date has already been announced, it is certain that the nation will have an elections for the Constituent Assembly, which is supposed to finalize a shape of governance, shape of state institutions and structure of Nepal. The only uncertainty now is whether it would be fair or foul?

Even as large sections of the people wouldn't express skepticism about holding elections on the date declared by the government, the persons in power themselves seem to lack confidence that the elections shall be held on the date announced by them.

"We want to hold the elections in accordance with schedule but it is still uncertain whether it will be held on stipulated date or not," said Minister for Information and Communication Krishna Bahadur Mahara. "Some forces are still active against CA polls," said Mahara, spokesperson of the government.

In fact, people don't question the possibility of holding elections - they are asking for its fairness. One must be very clear that the two things are quite different. The possibility of holding the elections is not a serious question at all; what is important question is its fairness.

"As long as Maoists are in the government and have armed Young Communist League, I don't think there will be free and fair elections," said

Kishore Kumar Biswas, vice president of Madhesi Janadhikar Forum (MJF). "The Maoist will not permit to hold the elections in free and fair manner."

Of course, there require peace and order to encourage people to vote. If disorder continues, there will be a low turn out. In such a scenario, the result of the elections will go against the wishes of people. "One has to distinguish between the interest of people and interest active against the people. In the interest of the people, the election has no meaning unless it is held in a free, fair manner and without intimidation. Otherwise,

the elections will be farcical. Such kinds of elections are held in several semi-democratic or pseudo democracies in Asia and African countries," said a political analyst.

Though eight party alliance is claiming that they are working in accordance with the mandate of the people, the interest of the people does not count much before them because the rulers are neither elected nor are they accountable to the people.

Fair or Foul

Except American and western countries, others are less concerned about free and fair elections. From prime minister to other ministers and from civil society members to scholars from neighboring countries, all of them want to see the elections at any cost.

In her hearing in the US senate, the new US ambassador to Nepal Nancy Powell has stressed on the need to ensure that elections are "as free and fair as they can be so that there is no reason for groups, whether it's the Maoists or others, to reject the results."

Nepalese officials have their own way to measure free and fairness in elections. "In an interim situation like this, it is impossible to create completely peaceful situation like that of the past elections of parliament. All our priority must be now to hold the elections rather than to involve in debate on whether it would be fair or unfair," said Home minister Krishna Prasad Sitaula.

Home minister Sitaula's remarks came when there is growing concern of deteriorating law and order situation. People in general don't have a habit yet to confront with the forces of organized violence and terror whether it is state or non-state.

In all his seriousness, prime minister Girija Prasad Koirala - who has a long experience in politics - said a few months back that as the country is in abnormal situation, the elections would be of abnormal nature.

Prominent leader of civil society, Kanak Mani Dixit also expressed his views recently in his interview with BBC Nepali Service that the priority should be given to create the conducive environment for the elections, rather than debating other issues.

Backing the claim of Nepali leaders to hold the elections at any cost, renowned Indian political scientist and Nepal specialist S.D. Muni stressed the need to hold the elections in November. "This government must hold the elections for CA in November whatever the circumstances may come. Elections are necessary to bring back political stability in Nepal which is the

major concern of India ,” said Muni recently in a program organized by Reporter’s Club.

From plain to hill, numerous local armed and unarmed groups representing various brands including Maoists are creating troubles of one or other kinds. About 13 armed groups are threatening the presence of state in southern plain.

Despite violence and revolt, the present situation seems to be a result of skilful arrangement of coercive forces which want to get the support from the people for desired end if not by willingness. “There have been several instances in the past when such situations were created during the elections to procure the result desired by the center of coercion,” said the analyst.

Panchayat system had a long record of such situation. Whether there was a direct or indirect election, the result was always procured in accordance with a plan of certain design. In the early phase of indirect elections, political institutions like Back to Village National Program was used to elect the candidate favored to the force of coercion. Even Dr. Tulsi Giri, who was known as the mother of Panchayat, was denied the right to contest the elections.

Even in the direct elections, unknown candidates like Nani Maiya Dahal, Puhato Chaudhari and Umesh Jung Thapa emerged as heroes. An unknown person like Umesh Jung Thapa defeated former prime minister Matrika Pasad Koirala from his home town Biratnagar. Chaudhari and Nanimaiya defeated Panchayat’s prominent stalwarts.

These kinds of scenario were repeated during the last three elections of parliamentary democracy - almost all elections were held comparatively in a peaceful manner but the results

were always against anticipation. Even most popular leaders of Janandolan I like Krishna Prasad Bhattarai faced humiliating defeat in the first parliamentary elections in 1991 against then unknown opponent.

Then prime minister Bhattarai –

How the CA will finalize constitution and how will it safeguard sovereignty and integrity of the country; from the forms of government to power sharing among state units, it has to decide all these issues. In a country with so many



Election Commission: Working on war-footing

who has personal history of a long political sacrifice - lost the elections with general secretary of CPN-UML Madan Bhandari, a new face who appeared in a public only a few months before the elections. Similarly, Mangaladevi Singh, wife of supreme leader Ganesh Man Singh, and his son Prakash Man Singh were defeated with humiliation in the elections.

Bhattarai, who was projected as a saint with no personal property and a leader hailed for bringing a constitution that made Nepali sovereign- was again defeated by Vidya Bhandari, widow of Madan Bhandari in 1994.

There were tendencies in the elections that the result always came against public expectations. Similar situation might repeat in forthcoming CA elections.

ethnicity, linguistic groups and regionalism, finalizing the constitution is not going to be an easy task.

“There were several instances near and around Nepal where elected representatives of the Constituent Assembly have come out with a constitution in a dramatic manner while the people seemed helpless. Supreme ruling alliance of eight parties may be performing their role in a spirit of dismay, ignorance and helplessness about the vital interest of the country but it is horrifying to imagine the result if they do something against this country with a long history of its continuity of independence and pride,” said the analyst.

Along with other issues, the CA also has to finalize the form of governance. The country is now under

the leadership of old and unwell PM Girija Prasad Koirala, and serious questions on his working style and health have already been raised by his cabinet colleagues.

“Prime minister has never worked in a team spirit of coalition government. He works as if this is a majority government of Nepali Congress. There is hardly any serious debate and discussion about country’s serious issues including deteriorating law and order situation. Prime minister is too old and his health does not permit him. But he always wants to show that this is the majority. Because of prime minister’s health, his official residence has turned into an official secretariat. Prime minister hardly finds time to listen to us. Prime minister wants share for his party in the appointment of other ministries also but he has never accommodated any member of opposition in the ministry headed by Congress. I have to frankly admit that we are just helpless spectator in the cabinet meeting,” said Minister for Sports and Education Pradeep Nepal’.

*There could be no better person than minister Nepal to describe the helplessness of the government which is supposed to lead the country with an added adjective of New Nepal and Loktantra as a refined democracy. At least, minister Nepal has shown guts to tell this fact to the people.

Forms of the Government

In the last five decades, Nepal has experimented with various models of democracy and constitution. But, no one was able to bring the governments and constitution that governed the best. Political leaders - who described Constitution of Kingdom of Nepal 1990 as the best constitution of the world – scrapped it a decade later denouncing it as the worst constitution. As commitments of political leaders



CEC Pokharel: “Create environment”

are so weak, nobody can guarantee that the forthcoming constitution will last for ever.

As English Poet Alexander Pope had aptly describes how “fools quarrel over the forms of government - what governs best is the best,” so is the situation in this country. “We were told by those same leaders last time that the Constitution of Kingdom of Nepal 1990 was the most democratic and best constitution in the world but again they are saying that CA will produce another best constitution. They never admit that it was not the constitution which failed but they who had failed,” said the analyst

Instead of getting out of the leadership as suggested by minister Nepal, they scrapped the constitution and trampled down under the feet alluring people now again with a new hope that the CA under their leadership would come out with an inclusive document to all ethnicity, region and linguistic groups including the best content of democracy.

“The constitution has nothing to do with that. Even if the country is put into federal structure by dividing into several units, all these will turn into a cosmetic federalism under the control of omnipotent and omnipresent invisible machination,” said the analyst.

Federalism requires several prerequisites to function i.e. sources of revenue to support its viability, coherent and coordinated



PM Koirala: Uphill task

administrative structures and of attitude of interdependence and mutuality.

A well organized society of Nepal in its own cultural heritage and tradition are being recklessly destroyed. Leaders who were supposed to lead the country have neither the ability nor the willingness to do that for which no better testimony could be found than the remarks by senior minister Nepal .

“This government is running in ad hoc manner as prime minister is too old and sick to lead the cabinet,” writes Nepal in his recent article in Samaya weekly. “At a time when the government is unable to function properly, how will it hold the elections are difficult to predict.”

“Rampant insecurity, violence, disturbance all over the country and open hostility among cabinet ministers is, in fact, an indication of pre-election exercise. Looking back at past experience, one can certainly say that such situations are the indication of forthcoming elections in Nepal ,” said the analyst.

Surprisingly, nobody cares much about whether elections will be held in fair or foul manner. Anyway, one thing seems to be certain - that, there will be elections in November. ■

CWIN'S HELP LINE

Helping Children

CWIN-Nepal's help line breathes new life to the children who are in the desperate need

By NIRAKAR POUDEL

Krishna Tiwari, 15, works as a helper in a public transport running between Budhanilkantha and Sundhara. He fled his native Bethan village of Ramechhap five years ago to survive from intense insurgency. However, he landed in worse place. One of his relative, maternal uncle, who brought him from his village with high sounding promises, put him in a house as a domestic servant in Kathmandu.

Ever since, he has faced all kinds of discriminations, overload of works and even physical assaults. Without any outside contact, Tiwari has no option other than to live in such condition.

The situation of some other children are different. Thanks to the Help Line of CWIN-Nepal many other children who are trapped in similar conditions were rescued and were placed in child shelter.

"Had I known about the Helpline, I would not have to suffer such a trauma for such a long period of time. Now I know that organizations like CWIN-Nepal are there who can help children trapped in difficult situation," Tiwari said who had fled from his home after Maoists forced him to join their party.

Tiwari says he earns about Rs1000 (US\$ 13) a month. Driver of the bus provides him food and shelter. Krishna says grudgingly that he has to work 14 hours a day. Some times he says he is beaten by the owner and bullied by other senior workers. According to an estimate, there are more than 3000 children under the age of 15 who are working as helpers in various transport vehicles including buses, mini-buses and three wheelers.

The children who are working as domestic laborers have more hard time than those working in public transport services. Many of them are working in deplorable and risky conditions.

Until a decade ago, these types of

exploited children would have no one to express their problems and get good counseling. Thanks to Child Helpline service, which was started in November 20, 1998 in Kathmandu, these types of children can use the service to report on exploitation and sexual abuse against them, seek psychological counseling and request for rescue from emergency or dangerous situation. This helpline service is being run by CWIN with the aid from Save the Children (Norway) and PLAN-Nepal in Hetauda,

Biratnagar, Pokhara, Nepalgunj and Kathmandu.

A few months back a workshop was conducted in Kathmandu to decide the role of the government and different other stake holders in Nepal's national child helpline. The main result of this workshop was that CWIN received a toll-free number 1098 and the Ministry of Women, Children and Social Welfare (MOWCSW) has adopted Child Helpline-Nepal (CHN) as one of its wings.

According to CWIN-Nepal, the helpline provides services based on the field supervision and different sources of information. The identification of informant in kept confidential. After discussion within the helpline and other coordinating bodies, rescue operation, counseling, medical assistance, legal advice and rehabilitations of the rescued children are carried out.

The helpline service works in cooperation with the police, local administration and different local bodies to rescue children. Legal service is provided in coordination with the police, government lawyers and different law firms. The rescued children are sent back to their families for reintegration. If the children don't have anyone, they are rehabilitated in different children homes. Beside these the helpline service also provide

ambulance service, hotline service, first aid treatment and health service, field supervision and service related to



lost children.

"Since its establishment helpline service has achieved a lot. There have been 103038 calls since its commencement. Around 32749 children have been provided first aid treatment, 978 children have been provided hospital services, 257 children have been rehabilitated back to their families and society, 1663 children have been rehabilitated to different children homes, 6621 children have been provided ambulance service, and 2284 children have been provided psychological assistance," said Madhav Pradhan, program manager of CWIN-Nepal.

All these services have played important role in formulating national policies like change in education act and change in teacher training directives. Nepal Telecom and Ministry of Women, Children and Social Welfare have provided free hotline service.

"We have found this helpline service more effective. The government is now planning to expand it in different parts of the country," said spokesman of the Ministry of Women, Children and Social Welfare.

From stopping the involvement of children in crimes to arresting people involved in sexual abuse and convicting people making child porn pictures and rescuing children working in carpet factories, preventing child marriage and illegal custody of adopted children, the helpline has already made a lot of progress. Because of helpline service, many lost children have been rehabilitated back to their homes. "All these achievements are remarkable," said Pradhan.

Although telephone number 1098 can rescue children in desperation and difficulties, only a few know about it. Time has come to popularize it so that every needy child can get service of this helpline. ■

JUDICIARY

Judges Need Justice

As Judiciary is brought under controversy, judges - who deliver justice to the people - are in need for justice themselves

By Keshab Poudel

All round crisis is going on in Nepal with the same intensity in all fronts. Whether it is the institution of monarchy or prime ministerial system, financial institution like central bank or army, they are facing the crisis of same intensity. Judiciary is no exception.

Whatever the political system there may be in the country including the direct rule of King or direct rule of eight parties, the crisis continues. Some time back there was one set of force in power under the leadership of King Gyanendra, whose one point agenda was to isolate organized political force. Now there is another set of force in the power, with one point agenda of unity against the King.

Even after the change of guards in power following People's Movement II of last April, Nepal's institutions are in great strains. Under the direct rule of King Gyanendra judiciary was put under a threat through high level anti-corruption watch dog Royal Commission for Corruption Control (RCCC). Now under the leadership of eight parties in a new version of democracy as Loktantra, the judiciary is facing similar intensity of crisis coming from unelected members with no accountability to their position.

As a soft gate of the state, judiciary is now under much more increased attacked inspired and instigated by the forces of instability. Judges are not sure of their permanent tenure because of changing legal and constitutional position. Soon after its promulgation, the interim constitution has made mandatory provision for the judges to take oath of allegiance to it.

Recently, the second amendment in the constitution has introduced a

provision of parliamentary hearing for the appointment of judges in the Supreme Court. The second amendment in the article 155 makes it mandatory for parliamentary hearing for the judges of Supreme Court.

"The country has unicameral house at present which is neither elected by the people nor are going to face any elections for continuation of their job. However, members of legislative parliament are immune from any criticism from the people as their tenure does not depend upon the elections results. All of a sudden, the House - which itself is not the result of popular elections - is empowered to examine the capability of judges to be appointed in the Supreme Court," said the analyst.

Prominent lawyers of all political leanings had come out vehemently against this provision in the constitution added by second amendment but there is no one to listen to them. "This is against the spirit of independence of judiciary and Nepal Bar Association and other members of civil society are against the provision of public hearing," said Bishwo Kanta Mainali, president of Nepal Bar

Association. "This will damage the independence of judiciary."

The dissenting voices of lawyers do not make any difference to parliamentarians who work as shadow of eight party alliance. According to article 57 of the interim Constitution, the parliament will function in accordance with the political consensus and agreement among the political parties.

Now the house is examining four



Supreme Court: Difficult time

functioning judges of Supreme Court. As those judges have been delivering judgments in their capacity as temporary judges and some of them might have annoyed one or other political group or interest, one can imagine how they will be grilled at the hearing.

As they argue that the constitution itself is of a short term effect, the MPs have no rationale to introduce any such drastic provision with far-reaching consequences.

"This amendment has far reaching consequences in the independence of judiciary," said advocate and Member of Legislative parliament Harihar Dahal. "We have tried to convince our

colleagues in parliament but no one listened to us," said Dahal who is a member of Nepali Congress.

With an aim to decide future shape of governance including the judicial structure, the election for CA is going to be held in November. Only CA can deal with such provision affecting basic structures of the political system as well as the constitution.

Legal communities - who are expressing resentment against the provision - are quite aware of parliamentary or senate hearing of other countries but in Nepalese context it is quite different as Nepal has been following the method of appointment on the model of judicial system closer to British or the model of some of South Asian countries like India, Sri Lanka, Bangladesh and Pakistan.

In parliamentary forms, the government is itself accountable to the parliament and all its decision considered to be taken under the consent of parliament.

"Besides this drastic provision in

interim constitution, there are other kinds of attacks and onslaughts against the judges in person as well as judiciary as an institution. As a soft organ of the state, judiciary in Nepal has always been vulnerable to the effects of political destabilization. Whenever any serious change comes, it affects power, functions and its status also. This was the same in the Pre-Panchayat democratic days, during the Panchayat days and after the demolition of Panchayat," said the analyst.

According to the analyst, this time the damage to the Supreme Court is more serious and bigger in dimension. It is not only the institution of the judiciary and its independence and stability in crisis but judges are also subjected to scandalous attacks.

Nobody can deny that a lot of improvement has to be made in the professional performance by journalists or judges. Judges are not immune from criticism as media has valid grounds to do so. As there is a famous saying among jurists that the justice is not a cloistered

virtue, it remains in public watch and scrutiny.

"There is systematic attack against the judiciary. It seems personal attack against me but it will finally affect the independence of judiciary," said chief justice Dilip Kumar Poudel, commenting on recent media report against him. "I am always honest to my job and judiciary while imparting my duties."

Judges always need to keep in mind that a standard of justice for a society is a matter of serious public concern. But citizens at large and the press should keep in mind that baseless and motivated insinuation harms the public interest more than that of a particular judge in a person.

"It is therefore a due upon the general public and media to maintain adequate restraint while expressing any critical opinion against the judges. Judges deliver justice but they too need justice. This is what we have been ignoring, particularly at the moment of political upheavals and instability," said the analyst. ■

Maoists Raise Objections On Envoy Nominees

A senior Maoist leader has raised serious objections against the ambassadorial nominations made by the government. Stating that there has not been prior eight party understanding regarding the nominations, Maoist leader Dinanath Sharma said they will not allow the process of parliamentary hearing to proceed.

Reports say that the Maoists want their envoy in 'A category' nations. Although seven parties have set aside Australia, France, South Korea and Denmark for Maoists to name their ambassadorial nominees, the latter have demanded that they be given at least one out of what they call as four 'A' category of nations. CP Gajurel, chief of foreign cell of Maoists, told Nepal Samacharpatra daily, that they want their man in at least one of the

four nations.

"We have said we have to be given one of the four 'A' category nations such as United States, Russia, China or India," Gajurel said. "First of all, the list has to be agreed upon by the eight parties. Then, we should agree on seat-allocation as well," said Gajurel. Subsequently, the Parliamentary Special Hearing Committee also refused to initiate hearing procedure on the 14 nominees sent by the Foreign Ministry.

Earlier, the Foreign ministry had sent the name of 14 nominees - with only one change from the list that was published six months ago and which was later stalled after Maoist protests. Instead of Bhagirath Basnet who was recommended as ambassador to Britain, the name of former representative to United Nations

Permanent Mission Murari Raj Sharma has been proposed in the new list. Likewise, Nepali Congress leader Sailaja Acharya has been recommended as ambassador to India, Tanka Karki to China, Dr Suresh Chalise to United States, Dinesh Bhattarai to UN Permanent Mission in Geneva, Pramesh Hamal to Belgium, Surya Kiran Gurung to Russia, Pradeep Khatiwada to Bangladesh and Dr Navin Prakash Jung Shah to Thailand. Furthermore, Ganesh Yonjan has been recommended as ambassador to Japan, Hamid Ansari to Saudi Arabia, Suryanath Mishra to Qatar, Guna Laxmi Shrestha B.K to Myanmar and Bal Bahadur Kuwar to Pakistan.

The list of the nominees is a mixture of NC, UML and NC-Democratic leaders as well as foreign ministry mandarins. Later Prime Minister Girija Prasad Koirala and Maoist chairman Prachanda also discussed this issue and agreed to sort it out through understanding. ■

NAC Wanted Aircraft

As it celebrates 49th anniversary, the national flag carrier Nepal Airlines Corporation (NAC) is in dire need of more aircraft

By A CORRESPONDENT

Even as demands for air-seats have increased exponentially, the national flag carrier NAC is unable to meet them because of lack of aircraft. As it is operating in seven international sectors with only two Boeings, it is unable to spread the wings.

"The NAC is in a very challenging situation at present. The NAC has international market, it has necessary skilled manpower, other infrastructures are there but it is unable to provide best services due to inadequacy of aircraft," said Gautam Das Shrestha, general manager of NAC.

According to Shrestha, this is hurting the regularity and credibility of the airlines in a fiercely competitive market.

At a program organized to celebrate the 49th anniversary of NAC, Minister for Culture, Tourism and Civil Aviation Prithvi Subba Gurung also underscored the need to purchase new aircraft for the NAC.

Interestingly, even employees of NAC have come together demanding that the airlines purchase new aircraft.

"The process of adding aircraft to its fleet has reached final stage and we are hopeful of its success," said Shrestha.

The NAC currently operates in international sectors such as New Delhi, Bangkok, Hong Kong, Shanghai, Osaka, Dubai and Kuala Lumpur. Owing to lack of enough aircraft, the NAC has recently suspended its operations to sectors such as Mumbai, Bangalore and Singapore and has turned its attention on lucrative sectors such as Dubai, Hong Kong, Bangkok and Kuala Lumpur.

The airline has improved its financial position as well. In the current fiscal

year, it has outstanding bank overdraft loan of Rs 762.2 million – down from Rs 1.44 billion a year ago.

In the ten months of the current fiscal year 2006/07, the NAC made a tremendous improvement in terms of passenger and cargo growth. Although it



NAC aircraft: Not enough

targeted to serve 245,913 passengers in international sector during the period, it actually served 266,467 passengers. This is an increment of 8 percent against the target.

Likewise, although it targeted to carry 1646 ton of cargo, it actually carried 1930 ton of cargo during the period, which is an increment of 15 percent against the target.

The NAC has also been earning income by carrying out ground handling for not only its 27 flights but also 42 flights of other international airlines every week.

Apart from international sector, NAC continues to provide air service linking remote districts. It operates domestic flights in Biratnagar, Lukla, Bhojpur, Tumlingtar, Lamidanda, Rumjatar, Taplejung, Phaplu, Thamkharka, Kagildanda, Ramechhap, Bharatpur, Pokhara, Jomsom, Manang, Bhairahawa, Nepalgunj, Simikot, Surkhet, Dolpa, Jumla, Rukum, Salle, Dang, Chaurjhari, Talcha, Dhangadhi, Bajura, Bajhang, Sanfebagar, Silgadi and Doti. ■

FNJ Delegation Discuss With Mahara

A delegation of Federation of Nepalese Journalists led by its president Bishnu Nisthuri met with Krishna Bahadur Mahara, Information and Communication Minister and spokesperson of the government, on Tuesday (June 26).

The FNJ delegation discussed about the safety and security of journalists, pressure and hindrances on media organizations, and the obstacles faced by journalists while collecting news. According to a press release by FNJ, they demanded that the government media be freed from government's control. They also demanded a policy to make local advertisements easily available to local media; and make arrangements so that a certain amount collected from publication of advertisements will be deposited in journalist's welfare fund.

The FNJ asked the Minister to implement recommendations made by the High Level Media Commission. The journalists also sought legal action against those who repress press and wanted the government to guarantee a free and safe environment to collect the news of the election. The press release adds that minister Mahara assured them of cooperation. "He assured that he will take decisions and take initiative to improve the situation according to the demands and will implement working journalist's act and act related to information rights as soon as possible."

The press release says that Mahara also assured that he will take measures to guarantee safety of journalists and will gradually implement the suggestions of the report submitted by media commission. "He informed that a policy to guarantee local advertisements to local media will be introduced in the coming budget. Saying that the government media cannot be freed from government's control immediately, he said, the government wants to discuss on the ways to make it self-reliant," the release said. ■

India Not Behind Terai Unrest: SD Muni

Speaking on the issue of unrest in Terai, Indian Professor SD Muni said that India is not in favor of unrest there.

"One billion people of India are not in favor of disturbing Terai." He, however, conceded that some MPs in their personal capacity and guided by vested interests and some Hindu extremists could be involved in the unrest. He suggested resolving Terai problem through talks.

Professor Muni has asked Indian establishment to clearly state their position in favor of republic in Nepal. Talking to Kantipur TV, Professor of Jawaharlal Nehru University (JNU) SD Muni said that "personally he would like India to take position favoring republic in Nepal."

Professor Muni said he feels that India is not taking a clear position on this issue partly because India doesn't want to be "interfering in the internal affairs and affect the opinions here and there."

He added that another reason why India is not doing so is because of the presence of some sections including extremist Hindus in India who favor ceremonial or nominal form of monarchy. Prof Muni who is currently in Nepal to take part in a program on political restructuring, has met with Prime Minister Girija Prasad Koirala and Maoist chairman Prachanda.

Likewise, speaking at the Reporters' Club, Professor Muni said all should work together to hold the Constituent Assembly successfully.

He said that failure to hold elections could result in dangerous vacuum in which no one side will be able to exert control. He stressed election was the most important issue in present day Nepal.

Giving example of Northeast region of India where elections are conducted despite violence, Professor Muni said it takes commitment and political will to hold them.

He said that he found PM Koirala and Prachanda serious about conducting the polls in November.

He said that federalism is inevitable for Nepal. "There is no other way left for Nepal than to follow federalism," he said.

He said peace and stability in Nepal would be in the interest of India and said India would be willing to provide all kinds of help in this direction. ■

Book List

- Fateful Interview, Madhav Kumar Rimal,Rs. 400.00
- Beyond The frontiers Women's stories from Nepal Padmavati Singh/2006.....Rs 200.00
- Bonded Labour Kamaiya in Nepal. Padma Raj Lamichhane/2005.....Rs. 350.00
- Dhoopee "The Juniper" A Long Poem.Toya Gurung/ 2006.....Rs. 185.00
- Distribution of goods and Services in Nepal's Conflict Ananda P. Shrestha \Hari Uprety\2006.....Rs. 200.00
- Ecotourism in Nepal with theoretical concepts and principles Damodar Prasad Bhatt\2006.....Rs.675.00
- Development planning in the Era of Globalization. Govind Nepal\2006..... Rs. 110.00
- Human Rights yearbook 2007 Kundan Aryal\2007.....Rs.500.00
- Insurgency Affected People of Nepal Rehabilitation. Ujjwal Upadhyay\2006.....Rs.100.00
- Mass Media in Post -1990 Nepal Pratyous onta\2006Rs.200.00
- My Life Story Ramhari Sharma Nepal \ 2006 Rs.....250.00
- Nepal -Japan Relation, Ram Kumar Panday\2006 Rs. 2000.00
- Nepal Struggle for Existence -Jagadish Sharma\2006 Rs.999.00
- Nepal Postage Stamps Catalogue 2005, Chandra Kumar Stapit \Deepak Manandhar \2005 Rs. 150.00
- Nepal 's conflict and its impact on Public Ananda P. Shrestha \Hari Uprety \2006.....Rs 150.00
- 15. Peaks and Pinnacles Mountainering in Nepal Harka Gudung\2004.....Rs. 500.00
- The Sakyas, Ajaya Kranti Shakyas \2006Rs. 350.00
- Simple Convictions My Struggle for Peace and Democracy Girija Prasad Koirala\2006.....Rs. 250.00
- 18 Uncertainty on a Himalayan Scale, Thompson \Warburation \ Hatley \2007..... Rs. 250.00

Nepal's Remittance Economy

- By Bikendra Shamsher Thapa

Remittances refer to that portion of migrants' earnings sent from migration destination to the place of origin. Even though they can also be sent in kind, the term "remittances" is normally limited to denote monetary and other cash transfers transmitted by migrant workers to their families and communities.

Human beings have practiced migration since time immemorial. Much of the early migrations in Nepal were due to excessive tax burden, exploitative agricultural relations and political instability. The Sugauli Treaty signed on December 2, 1815 between British India and Nepal helped systematize and formalize migration. The First and Second World Wars created huge demand for young army men from Nepal. The recent decades witnessed increasing number of Nepalese migrating for other types of jobs to military services. Globalization opened avenues to common people for moving to distant countries to work. The late 1980s opened new horizons of working abroad with new probabilities in newly rising economies seeking cheap labor from Nepal, Bangladesh, India and Sri Lanka. The census of 2001 shows that 762,181 Nepalese live and work abroad, out of which, 509,000 Nepalese work in India and over a lakh in the Mid-East. However, it is estimated that around 10 lakhs Nepalese are in the Gulf now.

International migrant remittances are perhaps the largest source of external finance in developing nations. Remittance flows into developing countries exceeded USD 125 billion in 2004, making them the second largest source of development finance after FDI. The major part of remittances to developing countries from 2001 to 2004 went to South Asia, Latin America and Caribbean, and to a lesser degree – East Asia and the Pacific. The rise in remittance flow has been strong in China, India, Pakistan and the Philippines. The increase in remittance flow in the recent years can mainly be due to noticeable decrease in remittance sending costs in some countries.

The migrants remit money contributing significantly to the national GDP. Remittance in Nepal is growing at an average rate of 8% in the recent few years. The Nepal Rastra Bank figures of remittance show that our country received Rs 58.5 billion in 2003/04,

Rs 65.5 billion in 2004/05 and Rs 97.53 billion in 2005/06. The remittance inflow from India does not come from banking channel whereas remittance from informal work abroad also comes from informal channel only. The large part of remittance money goes to rural areas that have helped reduce poverty in Nepal. The Nepal Living Standard Survey (2003/04) showed that, in less than a decade, remittance has been responsible for an 11% reduction in the number of people living below the poverty line. The growing remittances have led to a surplus in the current account, thereby strengthening the overall balance of payment position. Remittances have also relaxed the foreign exchange constraints of the country.

Remittances are likely to rise when migrants leave for economic rather than social or political reasons, where they have temporary rather than permanent resident status, where they are young, but married with family left behind at home and that remittances will rise as emigrant wages increase – although at a certain point, further increase in wage levels do not seem to translate into higher remittances.

Nepalese household features on economic side include seasonal employment in case of unskilled workers, unemployment of educated youth, low and subsistence income level, indebtedness, lack of access to quality education and health services and poor housing. Most of the migrant workers have economic imperative and moral obligation to remit money home to repay debt, build own house, spend on basic amenities and children's education and invest to buy house or land in town/city. The bulk of foreign remittance is used for consumption and to repay loans.

There is unequal participation from all parts of Nepal in the migrant work force living in the Gulf. The western and eastern regions contribute 70% of the migrant labor in the Middle East. People, from the mid-western and far-western regions that lag far behind in sending their people abroad as workers, generally go to India where income is low. Thus, remittance has failed to improve the economic status of these regions. Jhapa, Syangya and Kaski are the top three districts from where Nepalese migrate to the Gulf.

The mechanism through which migrants send money to Nepal is of high importance.

Both informal (including personal delivery and hundi) and formal (involving money transfer companies and financial institutions) channels of remitting money are in operation. An estimated 69% of foreign remittances come through informal channel – usually family and friends – even among household with bank accounts. Just 6% of remittances are saved in financial institutions. Since 2001, when money transfer companies were allowed to enter remittance market, formal remittance payment from countries other than India has gone up – with formal remittances being delivered in a day or two at relatively low cost and even in remote areas. But, due to legal and regulatory constraints in the Indo-Nepal corridor for money transfer operations, informal channel has not decreased for India – Nepal transfers. Furthermore, use of informal remittance services is high because of limited presence of the formal channels and low-income and rural households have limited familiarity with the financial sector.

Remittances will grow if legislative barriers and fiscal costs of transfers can be decreased, the latter is likely to be facilitated by introducing more market players and transmission modes, better provision of reliable information to migrants on the cost of transfer and benefits of formal modes and generally better and more credible supervision of the sector to ensure transparency and reliability of transfers. To make the remittance more effective, the government could enhance financial literacy of the migrants and tackle legal and regulatory obstacles and promote viable loan scheme for migrants that reduces share of remittance to repay loans.

Remittance has been alternative source of livelihood to one third of the Nepalese households. It has generated positive effect on the economy through savings, investment, consumption, poverty reduction and income distribution. The government should formulate policies conducive to the remittance inflow to further boost the inflow of remittance through formal channel that reduces the risk of money laundering and financing illegal activities, and present benefits for migrants and their families as they can gain access to other financial services and eventually save. ■

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