

Opinion : Dr. A.B. Thapa
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Interview: Govinda Raj Joshi

The National Newsmagazine

June 06-12, 2008

SPOTLIGHT

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A New Phase of Instability

INSIDE

NARAYANHITY ROYAL PALACE :
Changing Role

INFLATION: Hitting The Roof

Environment: SEF for Safe World

< TUBORG Law no. 15 >

All for one, Tuborg for all!



TUBORG
GOLD

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जिउ जिन्दगी रमेर



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COVER STORY: A New Phase Of Instability With the establishment of republic, a new phase of instability has begun - the political squabble among the parties have indicated the same
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NARAYANHITY PALACE: Changing Role The Narayanhity royal palace is set to take up new role with the establishment of republic
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INTERVIEW:
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Nepali Congress
CWC member, Joshi,
talks about latest
political situation and
his party's position
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SPOTLIGHT

THE WEEKLY NATIONAL NEWSMAGAZINE

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In the darkness of political destabilization, naked alien interference and the unending cur- fights of the pliant politicians, the tolerance, understanding and statesmanship shown by king Gyanendra has come as the silver lining. Had this kind of wisdom dawned on him just a couple of years back, poor Nepal would have avoided the turbulent days ahead and the possibility of becoming a vassal state. If the Nepali politicians have even a fraction of love for their country, they would have learned lesson from the latest behavior of king Gyanendra and redeemed their honor and dignity to some extent. The Nepali people are not sure whether the Nepali politicians have any stature at all. Those who go piggy-back must be prepared to bear the jolt of being thrown down after their utility comes to an end. The scholar studded Maoist leadership is behaving like a lotus-eater dreaming of going back to the days of Joseph Stalin and Mao Tse Tung. They, surely, are not that naïve as to believe that the clock can be turned back. It would be nothing but a great pity if they believed that their twelve year long honey moon with their benefactors is not yet over. Are they so overburdened with gratitude for bringing them to the center stage of Nepali politics that they don't mind to twist and turn at their beck and call? Or could it be possible that they have seen only the face of Dr Jekyll and not that of Mr. Hyde? Since our poor country is still most unsteadily poised at the tip of a precipice, it becomes the unbounded duty of every Nepali to sink all their differences and jointly pull the country back to its solid feet. We must not forget the most important factor of modern day global politics that even the super power is guided by its own interests only. No body will come to the rescue of smaller, poorer and weaker nations like ours. It is only the twenty-six million Nepalis who must stand hand to hand to defend their country. The mysterious death in jeep accident of Madan Bhandari, the orchestrated plane hijacking and the gruesome massacre of king Birendra and other royals must have opened the eyes of patriotic Nepali politicians and intelligentsia. If not they will have to pay for their foolishness. Since this is an age of revolutions and history making, our country too has to move along with the time. The Nepali people urgently need to change the political leadership of their country. Even in the great America a new history has been written and come November, will be sealed forever. So, poor Nepalis! gird up your loins for a counter revolution if you want to survive as a sovereign independent nation.

Madhav Kumar Rimal
Madhav K. Rimal
Chief Editor & Publisher



Biased Story

Your cover story (Overtaking the Constitution May 30-June 05) is biased and against the present political trends in the country. What the constituent assembly has done was absolutely on the basis of the wishes of the people. There is no need to follow any law or constitution when there is overwhelming majority of people who want to turn Nepal into a republic. The decision of first meeting of Constituent Assembly was constitutional as well as in accordance with the wishes of the people. Terming the decision unconstitutional will serve the purpose of regressive and feudal forces. As country has already been declared republic, there is no need to debate whether it is constitutional or unconstitutional.

*Jeevan Khatiwada
Via e-mail*

to turn Nepal into a prosperous and stable nation. I don't understand why some broadsheet daily newspapers have been trying to discredit Maoist by bringing out false and distorted versions of news. Even for Nepali Congress and CPN-UML, this is the right time to remain in opposition giving an opportunity to Maoists to rule. Unlike other political parties, there are many patriotic leaders in Maoists who can protect Nepal's interests.

*Subir Khanal
Belgium Via email*

Basic Problems

It seems that nobody has the time to address the genuine problems faced by the people. For instance, the scarcity of petroleum products have already created difficulties to the people but nobody seems to be worried about this. At a time when the international price of oil continues to go up, Nepalese political leaders want to distribute them at a price which Nepal cannot afford. Not only on political agenda, political parties need to build consensus on economic agenda also. If there is a political consensus, they can change economic face of the country. Subsidizing the petroleum products is going to benefit only a small group of urban people. The prices of petroleum products should be revised and the efforts should be made to make them available easily.

*Uddhav Pradhan
Pulchowk*

Black Profits

As the petroleum products are in short supply, it is benefiting the black marketers. Although there is no petrol in the pumps, one can find the petrol in black market by paying between Rs. 120 and Rs 200 litter. If people are willing to pay such hefty amount in black market, what is wrong for the government to readjust the price at par with the international market price?

*Jitendra Bista
Lagankhel*

Bad Precedent

The leaders of three political parties Nepali Congress, CPN-UML and CPN-Maoist have set a very bad precedent declaring Nepal as a republic completely ignoring the constitutional provisions, laws and established norms. Monarchy was abolished under a declaration by democratic leader Girija Prasad Koirala. If any army general makes similar pronouncement next time to revive another system, would they have any moral to oppose it? In the last three years, this country has seen every kind of illegal and unconstitutional activities and world's major powers supported all their actions without any objection. In your cover story (Overtaking the Constitution May 30, June 06) you have rightly pointed out how political leaders have been overtaking the constitution.

*Samsher Rana
Via e-mail*

Mandate Ignored

As you predicted in previous cover story CA for What (May 23-29), our political leaders completely ignored the mandate of the people to write the

constitution on their own. Instead of drafting a constitution in the dark room, representatives of the people should be given opportunity to discuss and debate the matter. Of course, the number of CA members is so large but one has to give all of them the opportunity to raise their issues. People have not chosen the new members just to let them take part in the meeting clad in their ethnic dresses and flaunt their distinct identities - they were elected primarily to raise the concerns and issues regarding the problems faced by the people. From the first meeting, these members have just been treated as a rubber stamp; I don't think they will get to play any major role in the future so far as the issues of making a constitution are concerned.

*Kalpna Rai
Via email*

Form Maoist Government

CPN-Maoists have emerged as the single largest party and they should be given chance to form the government. Since they have shown sincere commitment towards democracy, there is no reason to distrust them. Maoists have already shown that they are committed



Govt Writes Letter To Ex-King To Vacate Palace

The government, on May 30, sent a letter to ex King Gyanendra to vacate the Narayanhiti palace within the 15-day deadline given by the Constituent Assembly (CA), which declared the country a federal democratic republic on Wednesday. Home Minister Krishna Prasad Situala told reporters that the letter has already reached to the former King. A cabinet meeting yesterday had decided to write a letter to the ex-king, notifying him about the declaration of republic as well as the order of the Assembly to vacate the palace. The government plans to turn the sprawling palace into a national museum. *Compiled from reports*

YCL To Stop Quasi-Policing Activities

President of the Maoist-aligned Young Communist League (YCL), Ganeshman Pun, has said his organization will stop some of its controversial activities like taking action against individuals based on complaints registered with it. Talking to reporters during a tea reception organized by YCL in the capital Saturday (May 31), Pun said the YCL would stop taking complaints from individuals on criminal and other cases. He also pledged to end the camp settlement of YCL cadres. He further said the YCL would cooperate with the police in "improving law enforcement" and mobilize cadres in development works. Senior Maoist leader Ram Bahadur Thapa 'Badal', and Maoist ministers Krishna Bahadur Mahara and Hisila Yami were

also present at the reception organized to celebrate the declaration of republic by the Constituent Assembly. *Compiled from reports*

Dhangadi Newspapers Halt Publication

Citing poor security situation, eight dailies, a biweekly and two weekly newspapers here have shut operation for an indefinite period. A meeting of the editors and publishers of the newspapers, Saturday (May 31), decided to halt the publication citing security threats to their offices and journalists. In a statement, they said the publication houses were facing threats of arson and vandalism while journalists working for them were getting death threats. They added the situation in Dhangadhi was too volatile to continue publication, specially after the imposition of curfew three days ago. The curfew was imposed after three persons were killed when police opened fire on a mob trying to attack the district administration office. The statement is signed by editors and publishers of eight dailies — Sudoor Sandesh, Dhangadhi Post, Seti Samachar, Samachar Saaransh, Shree Nepal Times, Rastriya Sandarbha, Morning Bell and Tharu-language Hamar Pahura, biweekly Hotline and two weeklies — Rastriya Kiran and Paschim Express. The statement adds that journalist Lucky Chaudhary, who was attacked by Maoists on the DAO premises on the day the firing took place, had been displaced from Dhangadhi due to threats to his life. It states that Maoists even stage-managed a public rally against the media and that the media had lost faith in the administration and police. It said the complaint lodged at the DAO seeking action against Chaudhary's attackers remained unheard. It adds that things have reached such a pass that most of the journalists were unable to move around freely while several others had gone underground. Media houses have been forced to hide their display boards while staffers have been terrorized. Meanwhile, relatives of the three persons killed in police firing on Wednesday have still not claimed the bodies lying in Seti Zonal Hospital.

Hospital staffers said the bodies had begun decomposing. Rights activist Ramesh Basnet said the deceased's kin were assured by the Home Ministry in an unsigned letter that they would be given compensation, while those injured in the police action would be treated at government expense. Departmental enquiry into the incident was also promised. Dhangadhi office of OHCHR has begun investigation into the incident. It also issued a release expressing concern about attacks on journalists exposing Maoist misdeeds or criticizing them. It said the police used unnecessary and excessive force on Wednesday. *The Himalayan Times daily reports*

Blasts Outside CA Meeting Venue

Unidentified persons detonated two bombs outside the Birendra International Convention Centre in Baneshwor, the venue of the Constituent Assembly (CA) meeting, Wednesday (May 28) evening. The first blast occurred near the western gate of the BICC at around 8:00 pm while another bomb went off ten minutes later. At least four people including a senior police official were injured in the incident. Thousands of people had gathered outside the BICC to cheer the announcement of republic by the first CA meeting. The bombs occurred just before the Assembly was about to get underway. Similarly, one person was injured in a blast at Khula Manch, central Kathmandu, Wednesday evening. It is not known who carried out the blast, but police officials said the Hindu fundamentalist outfit called Ranabir Sena that had taken responsibility for the blasts on Monday and Tuesday could be behind this. The injured person has been taken to the nearby Bir Hospital for treatment. *Compiled from reports*

RPP-Nepal Becomes The Only Party Against Republic; Lawyers Question Procedures Adopted By CA

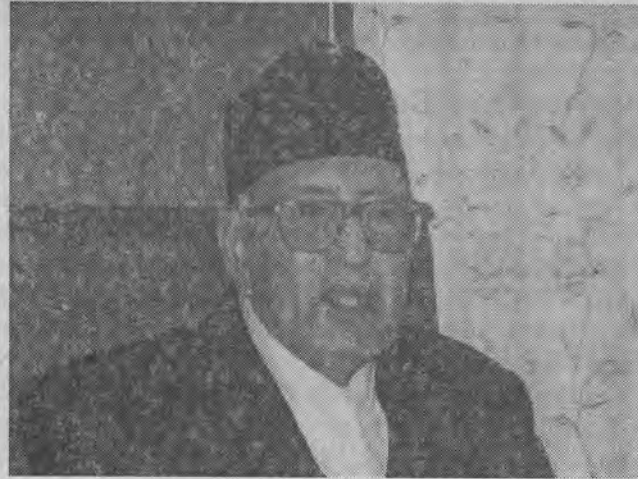
The Rastriya Prajatantra Party (RPP-Nepal) has become the only party that voted against the proposal of implementing the declaration of republic.

When the proposal was put forth for voting, of the 564 members of CA present at the meeting, 560 voted in its favor while four members of RPP-N voted against it. Although the chairman of the assembly Kul Bahadur Gurung did not allow the RPP-N members to make their case before the voting, its member Chandra Bahadur Gurung later submitted note of dissent expressing dissatisfaction over the republic declaration. "Though we are aware of the culture of functioning like a robot through remote-control, we have decided to register our note of dissent for the record for the posterity," said Gurung. Gurung could not complete the recital of his party's statement as the assembly chair barred him from speaking after the allotted two minutes. Speaking at the post-voting discussion, chief of Rastriya Jana Morcha, Chitra Bahadur KC, expressed dissatisfaction over the move to turn Nepal into federal state. Meanwhile, some lawyers have pointed at the flaws in the procedures adopted by the CA during its first meeting. According to a constitutional lawyer Bipin Adhikary, the procedures followed by the Constituent Assembly had three serious flaws. "First, the House started its proceedings without the 26 nominated members, who should have been present in the House to fulfil the membership requirement of the Assembly under Article 63(3) of the Constitution. The President of the House ignored this requirement, because the Prime Minister was not able to nominate them in consultation with the parties before the meeting kicked off," said Adhikari, who added that this flaw would make the proceedings of an incomplete House open to challenge. "Secondly, the motion to abolish monarchy and operationalize Article 159 was not subjected to discussion before the voting on it according to the recognized parliamentary practice. The chair ignored the repeated requests by the opposition group of the RPP-Nepal, the only monarchist voice in the entire Assembly, to allow discussion on the motion, so that they could register their opposition before the voting," he said, adding, "Thirdly, and lastly, the implementation of the 'republicanisation plan' was done

without any statutory basis, and certainly without giving any opportunity to the King to explain his case before the sovereign House." *Nepalnews.com reports*

Govt Provides Rs 800 Million To NOC

The Finance Ministry, on Tuesday (May 27), made available Rs 800 million as loan to the state-owned Nepal Oil Corporation (NOC). The money was



made available after Prime Minister Girija Prasad Koirala directed the ministry to provide money to the NOC, which had publicly stated that it can no longer ensure smooth fuel supply if it is not allowed to adjust market price with international price or if it is not provided with government subsidy. The government had similarly provided Rs 800 million to NOC two weeks ago. As such, the total liability of NOC towards the government has reached Rs 9 billion. The NOC is suffering from monthly loss of Rs 1.78 billion due to soaring price of fuel in international market. The government is cutting development expenditure to provide subsidy to NOC to purchase fuel products, which are primarily used by urban consumers.

Kantipur daily reports

Maoist Leadership Signs 7-Point Agreement With Shrestha Family

Maoist chairman Prachanda and the family of slain businessman Ramhari Shrestha signed a seven-point agreement Tuesday (May 27) morning, which

brought to an end the protest programs being carried out by Shrestha's family and kin for the last one week. As stated in the agreement jointly signed by Prachanda, Ramhari's wife Ramila and coordinator of Koteshwor Struggle Committee, Gyan Kumar Shrestha, the Maoists have owned up responsibility for the killing and have apologized for it. The Maoists have also agreed to cooperate with the government's probe

commission, take action against the guilty and provide 'relief' to the victim's family. Shrestha was killed by Maoist army men in Chitwan after abducting him from his house in Koteshwor three weeks ago. His body was found in Trishuli River, Chitwan, on Sunday and was brought to Kathmandu yesterday. His last rites were performed at Pashupati Aryaghat on

Tuesday. *Compiled from reports*

NEA Reduces Load Shedding Hours

The Nepal Electricity Authority (NEA) has reduced the load-shedding hours to only nine hours a week effective from Tuesday (May 27). The NEA has cut down heavily the power-outage hours which stood at over 21 hours per week, the NEA said. According to the new load-shedding routine, the power will be out for only three days a week. From Tuesday, the power will be cut for two and a half hours two days a week (evening) and four hours one day of the week (daytime). The power cut in the morning hours has been completely slashed. The warm weather and the water level rising in the rivers have led to the reduction, NEA said. An official at the NEA informed that load shedding will be further reduced after the operation of the 60 Mega watt capacity Khimti power house. He added that the Khimti power house will come into operation within a week. *Compiled from reports* ■



Members of Inclusive Sagarmatha Expedition who recently climbed the Mt. Everest Annapurna Post

development in Nepal. "There's been a political transition. There have been elections. The new government is in place and moving forward. We have had some conversations with those officials, in part to verify that some of the efforts that we can make, in terms of being able to provide humanitarian assistance and other programs, are going to be able to move forward,"

MEMBERS OF THE CONSTITUENT ASSEMBLY (CA) were sworn in amid a ceremony at the Birendra International Convention Centre (BICC), which will house the 601-member Assembly, Tuesday (May 27) afternoon. Kul Bahadur Gurung, 73, of Nepali Congress, who chaired the swearing in ceremony as the eldest member of the CA, administered oath to 567 members at the Sagarmatha Hall of the BICC. The CA members were allowed to take oath in their mother languages. While most of them were in informal attire some CA members from Madhesi and indigenous communities appeared in their traditional costumes. 26 CA members are yet to be appointed by the cabinet, five persons had won double seats while the CA Court has barred two winners, UML's Bisam Lal Adhikari and Madhesi Janadhikar Forum's Sarat Singh Bhandari, from taking oath as the writ petitions accusing of them of irregularities in the election are yet to be decided. However, Baban Singh, the independent winner from Rautahat constituency-I, who is sought by the police on a number of criminal cases, also took his oath.

PALACE AUTHORITIES PUT UP the national flag at the Narayanhity palace where the royal flag used to fly until this morning (May 29). The flag hoisting was done at 7:40 pm without any formal ceremony. The royal flag was removed from the main building this morning. There were protests in and around Durbar Marg from early morning demanding that the government put up the national flag at the palace.

THE UNITED STATES HAS CONGRATULATED the people of Nepal on the declaration of federal democratic republic by the Constituent Assembly. "The United States of America congratulates the people of Nepal on the Constituent Assembly's first step in defining a new, democratic Nepal with the declaration of a republic on May 28," a press statement issued by the American Embassy said. Describing the implementation of republican order as "another exciting milestone in Nepal's democratic development", the US government further stated, "We encourage the representatives of the CA to continue their work to fulfill the peoples' desire for peace, democracy and development in Nepal." The congratulatory statement came hours after the State Department's deputy spokesman Tom Casey said the Bush administration had 'withheld' comments on the new

Casey had told reporters, adding, "Certainly, it's a situation we continue to watch. And we continue to urge forward political developments in that country." Meanwhile, Secretary-General of the United Nations Ban Ki-moon has congratulated the Nepali people on the historic first meeting of the Constituent Assembly that has transformed Nepal to a federal democratic republic. "The people of Nepal have clearly spoken for peace and change through the April 10 Assembly election," he said in a statement. The Secretary-General has encouraged all parties to continue working in a cooperative manner and to form a new government as soon as possible. Similarly, his special representative to Nepal Ian Martin also congratulated the people of Nepal on the achievement of convening the historic Constituent Assembly. "The United Nations is proud to have assisted in the election of the most inclusive body Nepal has yet known," he said adding, "Its democratically-elected representatives have the solemn responsibility to prepare a new constitution as well as to act as an interim legislature during this next important phase of Nepal's peace process, and to fulfill the people's aspirations for sustained peace, economic and social progress, democracy and human rights."

MAOIST CHAIRMAN PRACHANDA, along with senior leader Dr. Baburam Bhattarai, met with a senior American official. In what could be the first such contact with high-level State Department official, Prachanda held talks with the visiting US Deputy Assistant Secretary of State for South and Central Asian Affairs Dr Evan A. Feigenbaum on Monday (May 26) evening in Nayabazaar. Emerging out of the meeting, Prachanda said he discussed issues regarding constituent assembly, republic declaration and development programs. "He inquired about the republic, government formation, constituent assembly and our focus on development programs. We told him that we want to build democracy in a new way. We have a new approach to development," Prachanda told reporters. In an apparent reference to US branding them terrorist, Prachanda said, "We also told him that though we have been in the peace process for a long time, you still do not have positive outlook towards us." "He also had lot of questions regarding the YCL," Prachanda said, adding, "This is also an issue raised by other political parties and we have already proposed to end its paramilitary character like staying in a barrack and so on," he said. The US official has already met with Prime Minister Girija Prasad Koirala and other political leaders. ■

INDO-PAKISTAN DISPUTE OVER INDUS RIVER

•Dr. AB Thapa

The Indo-Pakistan dispute on the Indus arose immediately after the partition in 1947.

M. Zafrulla Khan, the Pakistan representative in the Security Council presented about it during a Security Council debate on the 16th December 1952. The partial text is given below:

“The partition of the Punjab cut across the river system of the Province.....The partition line was so drawn that two of the rivers - Sutlej together with its tributary Bias, and Ravi - while originating in India, later on flow into Pakistan....On April 1, 1948.... India turned off the waters of these rivers which used to flow into Pakistan..”

India's position on the water right principle she is

subscribing to has been clearly stated in the Indo-Pakistan Agreement on Indus (Interim) signed on the 4th May, 1948. It is stated: *“..the propriety rights in the waters of the rivers in East Punjab (India) vest wholly in the East Punjab..”*

West Punjab (Pakistan) disputed India's contention. Its view being that in accordance with international law and equity West Punjab had a right to the waters of the East Punjab rivers. Finally India and Pakistan came to an agreement. The Indus Treaty was signed on September 19, 1960. The Indus Treaty provided that the waters of the contentious rivers Ravi, Beas and Sutlej would be for the exclusive use of India. However, India would have to pay Pakistan some compensation for the construction of projects to tap other rivers in Pakistan to replace the supply from the above three rivers.

International Water Law Making Process

The Article 38 of the Statute of the International Court of Justice provides that the Court, whose function is to

decide in accordance with international law- both in general and international water resources- such disputes as are submitted to it shall apply international conventions, treaties between states, customs, general principles of law, etc.

Thus it is necessary to analyze the reasons behind various past international disputes related with water particularly in our subcontinent that would give a clear picture about



the stand of each country on matters of international water right issues.

The Indus and Farakka issues are two perfect examples. Such study would help

Nepal to develop a good strategy for protecting our own water rights without offending others

India Prevailed

India had been subscribing all along to the principle that water belongs to the country where it originates. India turned off the waters which used to flow into Pakistan to irrigate lands. India took such action according to N.D. Gulhati (the Indian negotiator for the Treaty on the Indus) because the East Punjab (India) was anxious to establish its exclusive ownership. In the final treaty on the Indus the principle of establishment of right due to prior appropriation of water was ignored. The Treaty went in favour of a principle based on the sovereignty of a state over its national domain. The Indus Treaty might have set a precedent for the future. But in the Article-XI a special provision to restrict its use has been made. So it could not become a law. The Article XI of the Indus Treaty has been presented below:

1. *It is expressly understood that*

- a. *this Treaty governs the rights and obligations of each party in relation to the other with respect only to the use of the waters of the rivers and matters incidental thereto, and*
- b. *nothing contained in this Treaty, and nothing arising out of the execution thereof, shall be construed as constituting a recognition or waiver (whether tacit, by implication or otherwise) of any rights or claims whatsoever of either of the parties other than those rights or claims which are expressly recognized or waived in this Treaty.*

Each of the Parties agrees that it will not invoke this Treaty, anything contained therein, or any thing arising out of the _____

execution thereof, in support of any of its own rights or claims whatsoever or in disputing any of the rights or claims

India needed a greater part of the Ganges flow in the dry seasons for flushing the silts into the sea from the port area in Calcutta. India must have considered that it is allowed to take up a scheme to divert the flow because of her sovereign right over the domain.

whatsoever of the other Party, other than those rights or claims which are expressly recognized or waived in this Treaty.

- 2. *Nothing in this Treaty shall be construed by the Parties as in any way establishing any general principle of law or any precedent.*
- 3. *The rights and obligations of each Party under this Treaty shall remain unaffected by any provisions contained in, or by anything arising out of this execution of, any agreement establishing the Indus Basin Development Fund.*

The Ganges Issue

India needed a greater part of the Ganges flow in the dry seasons for flushing the silts into the sea from the port area in Calcutta. India must have considered that it is allowed to take up a scheme to divert the flow because of her sovereign right over the domain. However, the Ganges is a navigable river. The diversion would have violated the International Barcelona Convention on the

regime of navigable waterways. This convention was ratified by British Empire that included India also in 1922. India to free herself to undertake the Ganges diversion scheme, denounced the Barcelona Convention to take effect from 26 March, 1957. Soon after that India commenced the Ganges diversion scheme at Farakka in 1960s.

Very recently the Treaty of the Ganges water at Farakka has been concluded between India and Bangladesh. This Treaty has a similarity to the Indus Treaty in one important matter of great interest to us. It contains at the very beginning in the preamble of the Treaty itself a statement that this Treaty will not affect the rights and entitlements of either country other

than those covered by the Treaty and will not establish any general principles of law or precedent.

General Principle of Law or Precedent

The Indus Treaty and the Treaty of Ganges

could not be construed as establishing law or precedent because of the provision in the treaty to restrict such use. However, these treaties can help us to come to some important conclusions. We can infer from these treaties that in the absence of imposition of restriction, a treaty may be construed to imply the following:

It can set a general principle of law. It can service as a precedent for similar cases in future. Any one of the Parties can invoke a treaty, anything contained therein, or anything arising out of the execution thereof, in support of any of its own rights or claims whatsoever or disputing any of the rights or claims whatsoever of the other party.

The revised Gandak and Kosi Treaties do not have any provision to restrict their application in similar other cases. So they can serve as a precedent for similar other cases in future. So far as the transboundary river treaties are concerned, the Kosi Treaty is the latest. Thus the Kosi Treaty could serve as a precedent to Karnali and other transboundary rivers. ■



Prachanda : In power game

POWER GAMES

● Fair Or Fixed?

As major actors brace for a high-voltage power drama in the republican Nepal, the script ahead is too sketchy to predict.

By SUSHIL SHARMA

At long last, the monarchy is gone. A republic is born. A year after the country was turned into a monarchical republic, Nepal is now a 'democratic republic'.

The journey is not complete yet, if one were to trust the Maoist leaders who claim to have pushed the country thus far.

"Only the battle has been won. The war, not yet," said Baburam Bhattarai at home district Gorkha as he accompanied chairman Prachanda to king Prithvi Narayan Shah's Gorkha durbar.

"The destination next is people's republic," thundered Stalinesque-moustached comrade, at Khulla mancha,

as king Gyanendra prepared to pack his bag two kilometers away at the Narayanhity palace.

Provoked, planned or spontaneous whatever it was, the Maoist thunder was enough to send shivers down the non-Maoist camps. At home as well as abroad.

"A broader 'democratic alliance' is in the offing," said a senior Nepali Congress functionary, "to take on the communist authoritarianism." With the covert but solid backing of the democratic countries, of course, he added.

Having got the wind of it, apparently, the Maoists sent senior leader Krishna Bahadur Mahara on a private visit to China.

Not able to win the trust of Mao's country yet, the desperation of the Nepalese Maoists is understandable, say analysts, notwithstanding the increase in the frequency of their meetings with the Lainchaur-based busiest diplomat.

Even as a powerful section across the southern border including the main opposition Bharatiya Janata Party continue to raise alarm bells over the threat to national security from a Maoist government in Nepal, Mahara pledged "total support" to China on "the stance" of the communist neighbour's most sensitive issue — Tibet.

China's Tibet stance is unambiguous: 'the trouble in Tibet is the handiwork of the "Dalai clique" comprising of foreign powers'. The Dalai may have been warmly received in Washington, London and Paris. But his shelter, the Dharmshala, is far closer to Delhi.

Clearly, Mahara's statement in the north is unlikely go down well in the south. At a crucial juncture in a country standing in the middle. Following the emergence of new equations in the power games to fill the vacuum created by the demise of the 250-year-old power centre

As major actors brace for a high-voltage power drama in the republican Nepal, the script ahead is too sketchy to predict. ■



Palace: Changing role with changing times

NARAYANHITY ROYAL PALACE

Changing Role

The Narayanhity royal palace stands testimony to various phases of history of modern Nepal

By SANJAYA DHAKAL

As the first meeting of the Constituent Assembly (CA) held on May 28 implemented the declaration of republic and instructed the government to take over the Narayanhity royal palace to turn it into a national museum, all eyes are now on the palace from where the ex-King Gyanendra has been asked to shift within two weeks.

The modern structure of Narayanhity royal palace was built in the early sixties under close watch of then King Mahendra.

Even though the Shah dynasty started ruling the unified Nepal from 1768 AD, it was only sometime after 1880 that then minor King Prithvi Bir Bikram Shah was moved to the Narayanhity palace from Hanumandhoka Durbar, which had

remained the official seat of Shah Kings till then.

The Narayanhity, in fact, was gifted by then powerful Rana prime ministers to Shah King, who till then was only a titular ruler.

Subsequently, the palace continued to undergo expansion and transformation. However, its major transformation took place in early 1960s.

Remembers Shankar Nath Rimal, an engineer who was involved during its construction, "It is a huge complex with lots of bungalows like Mangal Sadan, Shree Sadan, Trishul Sadan, Mahendra Manjil and there were also reports that Tribhuwan Sadan was settled for new construction. When we constructed it, the main Narayanhity palace alone was around 1000 foot long."

The palace, located in Durbar marg of the central Kathmandu, is spread over 750 ropanis of land. Rimal remembers there could be over 1000 rooms in total in the buildings within the sprawling complex.

Apart from the buildings and bungalows, the palace is also said to be a storehouse of documents and details of historic and archaeological significance.

"The original copies of Panjapatra (which then Shah Kings signed to authorize the rise of new Rana prime ministers) and Lal Mohars used to be kept in Lal Bakas, which used to be stored in Foreign Ministry. But few years ago when I inquired the Ministry officials about the Lal Bakas in course of my research, I was told that perhaps they could be in the palace," said Triratna Manandhar, a historian.

As the government has decided to turn the palace into a national museum or use it for national interest, the attention has now shifted to securing the historically and archaeologically significant documents once the ex-King vacates the place.

The Narayanhity royal palace had remained as the symbol of history and power of Shah dynasty in later years. It has gone through many historic occasions like the 1990 dialogue between then King Birendra and political leaders, which ultimately restored democracy, and the February 1, 2005 royal proclamation by then King Gyanendra, by which he took over full executive powers only to issue another proclamation on April 23, 2006 withdrawing himself from power politics. From that day onwards, the monarchy's power had been on steady decline reaching to the culmination of CA declaration of May 28, which ended the 240-year-old Shah dynasty. Unfortunately, this palace is also the same place where then King Birendra and his entire family was shot dead in palace killings. This grisly incident had occurred in Tribhuwan Sadan in June 1 of 2001.

As the sun sets on Shah dynasty of Nepal, the role of the Narayanhity palace is also set to change – whether as the national museum or as the presidential palace. ■



Marketplace: Price is getting hotter

INFLATION

Hitting The Roof

Economic woes have worsened with the rate of inflation surging to 8.9 percent – a clear indication of what lies in store for upcoming government

By SANJAYA DHAKAL

Following the implementation of republic, the country is awaiting the formation of new government.

Even as the major parties are still squabbling over power-sharing causing a delay in the formation of new government, the economic woes have continued to pile up in dangerous proportions.

Once the new government is formed, it is expected to face serious political issues such as the constitution-making, turning of the country into federal state, ensuring inclusion and striking a balance among conflicting interests of various parties and communities.

These are tall orders.

However, for the new government, battling with political issues could turn out to be far easier than battling with the economic issues.

Experts have warned that economic woes could be the worst enemy for any new government, especially at a time when the skyrocketing market prices

have compounded the misery of common people.

In the last few years, parties worked overtime to promise the people with liberation from all kinds of social and economic woes. Fulfilling those sky-high aspirations of the people is not going to be easy for them.

Currently, one of the most serious economic problem facing the country is the soaring rate of inflation, which is eating into the macro-economic stability.

According to the report of Nepal Rastra Bank (NRB) for the first nine months of the current fiscal year, the latest figures show that rate of inflation has reached 8.9 percent – which is higher by three percent compared with targeted inflation rate in the monetary policy.

“The inflation has surged to 8.9 percent in the ninth month of this fiscal year. It stood at 7.2 percent in the eighth month,” said Krishna Bhakta Manandhar, acting governor of the Nepal Rastra Bank (NRB).

The inflation has been pushed by rise

in market prices of essential foodstuffs. According to officials, the price rise of foodstuffs stand at 12.6 percent. Till a month ago, this figure stood at 9.4 percent. The price of foodstuffs contribute 53.2 percent to the overall National Urban Consumer Price Index.

“The price of rice has increased, the price of wheat has increased, the price of fuel has increased and all of them have impacted the rate of inflation,” said Manandhar.

He said that there is a very limited scope for NRB to control the inflation at this juncture because the cause of the inflation lies beyond the borders. “This increase in inflation is due to rise of price in international market. It affected Asian markets and Indian market, which, in turn, has affected us,” he said.

Manandhar added that the current level of inflation could easily increase further if the prices of petroleum products are adjusted in the domestic market to match with the price in international market.

Economist Dr. Bishwambher Pyakuryal fears double-digit inflation could not be far-off.

“This is a very serious problem the new government is going to have to face,” he said.

Dr. Pyakural said he was afraid that the situation of inflation combined with stagnant income was laying the ground for more serious situation called stagflation.

“Our income has not increased but our inflation has soared. This is a situation, which we call stagflation,” he said.

As Manandhar admitted, it is the sustained flow of remittance income that has single-handedly averted major crisis in economic stability till now. “Despite inflation, our Balance of Payment is still positive largely due to remittance,” he said.

The surging price of essential food products; unbridled rise of fuel price; disruption in supply system; continued instability; lack of security; lack of investments and absence of industrial peace are the major economic problems that will greet the new government from the very first day it takes over. ■

A New Phase Of Instability

Even a week after the declaration of Nepal as a republic and creation of the post of president through the fourth amendment of interim constitution, the political deadlock continues as political parties are yet to reach consensus on who will lead the new government and who will be the new president. If the current political trend is any indication, it shows that another round of major political conflict is looming. As Nepal has been passing through phase-wise political crises for long, the coming crisis, which was triggered when members of Constituent Assembly abolished the institution of monarchy without any visible alternative in their hand, could be more intense, more violent and more chaotic. In absence of stabilizing institutions, the country may have to face any number of mid-night miracles evolving through unseen maneuvering

By KESHAB POUDEL

"We will have no option but to launch a struggle, if the crisis (on government formation) is not resolved," thundered Maoist chairman Prachanda, addressing a mass meeting in Gorkha. "Only the Maoists have the right to claim the posts of both prime minister and president on moral and political grounds."

"If parliamentary parties continue their foolishness, Nepal will become People's Republic," threatened Prachanda. "If Nepali Congress and

CPN-UML do not honor the mandate of the people and allow us to form the government, we will openly launch an October Revolution as Lenin did in Russia in 1917."

"The Maoists will face the situation like that of monarchy if they try to impose authoritarian rule in the country," said vice president of NC and Minister for Peace and Reconstruction Ram Chandra Poudel. "How can they claim to form the government when they don't have even simple majority of

seats."

"If Maoists have the absolute majority, why don't they go ahead and form the government on their own. They were not given mandate to rule absolutely," said CPN-UML general secretary Jhalnath Khanal. "The Maoists should not impose their agenda and should not claim all the key posts."

A week has already passed since the abolition of monarchy through the fourth amendment of interim constitution creating the position of president, but the



A crowd before the palace: Concentrated celebration of republic

political parties are yet to agree on power sharing. Everybody wants power and in a current situation of vacuum of power, the extremes from all the sides are trying to press their demands.

As series of meetings of country's major political parties have already been held to sort out the political crisis, they have shown their rigid stances on power sharing as differences continue to persist indicating more turbulent political situation ahead.

Political Settlement

This is not for the first time when leaders of political parties exchanged such harsh words and demonstrated rigid stands but, in the end, they have always had accommodation. Like all the political settlements in the past, political leaders, people expect, will come out with an agreement prepared in invisible place just before the second meeting of CA, which is scheduled for June 5.

As the working committee of seven party alliance has already decided to authorize three top leaders to find

amicable solution of the present political crisis, another mid-night drama may settle the question of government formation.

"We agreed to create the post of president only to implement the agenda of republic. But it does not mean that we agreed to give the posts of president to any particular political party," said Prachanda. "We wanted to maintain the existing constitutional provision in which prime minister can also act as head of the state until a new constitution comes into effect. But we had to agree on the presidential posts after the NC and UML leaders hinted at giving continuity to monarchy if we did not agree to their terms. That is why the first CA meet was delayed by 11 hours."

One source close to the meeting disclosed that many times even senior most leaders of political parties remain ignorant about the major agreement. For instance, the first meeting of CA was delayed by 11 hours because of vehement opposition within the Maoist.

"Two senior Maoist leaders Mohan Baidya Kiran and Ram Bahadur Thapa Badal raised objections at the provision to creation of ceremonial president. After Maoist chairman Prachanda revealed that this was a part of secret agreement made during the signing of 12 points agreement in New Delhi in November 2005, the two leaders let the proposal move ahead, the source said.

The motion tabled at the first CA meeting by home minister Krishna Prasad Sitaula, who was rejected in the election with no constitutional right to vote in the motion, abolished the monarchy through the fourth amendment and created the figurehead president like that of constitutional monarch of previous constitution.

No Sight for Peace

Although the post of president has been created and monarchy abolished, the situation in southern terai is getting worse day by day as about half a dozen of innocent people have already been killed in a span of a week. Public life in

Birgunj city was paralyzed as businessmen, civil servants and commoners took to the streets after a spate of killings and attacks on businessmen. Similarly, the life in Janakpur was paralyzed following killing of an employee of Janakpur Cigarette factory on Monday (June 2).

As political parties are fighting over power sharing in capital, the violent groups are intensifying their activities in southern plain even as many other organizations are threatening to launch stir.

The organizations like Nepal Federation of Indigenous Nationalities, Tharu Welfare Assembly, Backward Group of Terai have already threatened to organize nation wide stir.

"We strongly object to the way the 26 seats are being divided among the parties. This shows that the 601 member CA will not be able to protect our rights. We must be prepared for a fresh agitation to get our rights guaranteed in the new constitution," said Pasang Sherpa, president of Nepal Federation of Indigenous Nationalities. "Girija Prasad Koirala, Jhala Nath Khanal and Prachanda should not act like king now."

Thanks to the short supply of fuel, the normal life is already paralyzed and transport entrepreneurs and petroleum dealers have already called the indefinite strike from June 15.

Common people's hope to see the return of peace after removal of monarchy and establishment of presidential system has already been shattered as the political vacuum created by the fourth amendment of constitution is difficult to fill. Even leaders of political parties who claimed in the past that the country will turn into heaven after the abolition of monarchy are not ruling out the possibility of chaos.

"Making Nepal a republic is not a panacea. One has to be prepared to see more chaotic situation before stabilization returns," said political scientist Dr. Lok Raj Baral. Baral was one of senior political scientists who held the view in the past that removal of monarchy will turn the country into a heaven.

As there is no possibility of any agreement among the leaders of political



CA members: Manifold challenges

parties with heterogeneous interests, there is always that need for the intervention to press them. The consensus and political agreement coming through unseen maneuvering cannot bring about the long lasting solution and the country's political system will continue to be rocked by one or the other kind of internal bickering.

Maoist Role

Although there are strong pressures within the rank and file of Nepali Congress and CPN-UML, Maoist will be invited by prime minister Girija Prasad Koirala to form the government. If things go as plan, Prachanda will head the coalition government and its first task will be to restructure Nepali Army.

According to a source close to prime minister Koirala told this subscribe, Nepali can see another miracle in the form of Maoist government. "As Maoist has already performed the role in abolishing monarchy, making Nepal republic, their role in the government will be to restructuring Nepal Army and rewriting Nepal India 1950 treaty," said the source. "Next week, the three party will sign the agreement for power sharing.

Question Of Stability

After the fourth amendment, the position of president was created and he or she has been given the ceremonial and constitutional role but it is still uncertain when the process of selection of

president will begin. "Girjababu cannot just resign now as he is acting both as a head of the state and head of the government," said NC leader Bimlendra Nidhi. "This is the reason why we are requesting Maoists to come up with consensus political program soon."

In the past, the monarchy guaranteed the stability as an institution of continuity but Nepal has lost that institution after May 28. Though it was a political institution, the monarch itself essentially was a non-partisan person between political players of divergent outlooks and programs.

Some political parties like Madhesi Janadhikar Forum have already floated the proposal of choosing a non-political and neutral individual for president. "We must agree on a neutral person for president," said Upendra Yadav, leader of MJF. Given the present situation of political polarizations, searching for a neutral person is not that easy.

For monarchy, it had the advantage of ultimate neutrality but such thing may not be possible with other individuals. "From extreme right to the extreme left, in the process of democratic evolution since 1951, monarchy went through a series of roles. Ultimately, after the change of 1990, it had reconciled to its mystic role of a limited monarchy. After the Royal Palace massacre in June 1, 2001 and an unusual situation, King Gyanendra underwent an unpredictable

situation and missed his moorings as a constitutional monarch with a nominal role," said a political analyst.

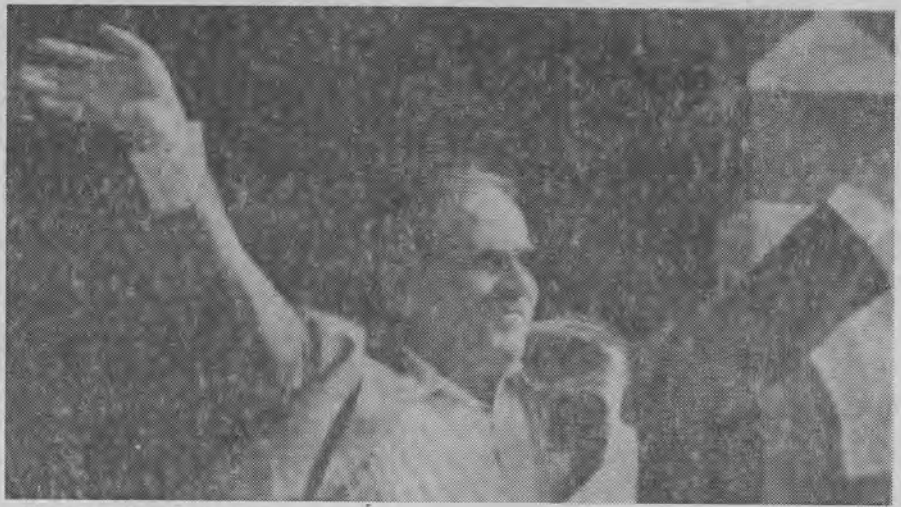
Silent majority of people were neither jubilant nor happy when CA declared Nepal a republic. One did not see the spontaneous outburst of emotions.

Having no idea about the alternatives among the ruling parties even after they voted out the constitutional monarchy, the political parties are now desperately groping for a new course.

King's Role

Whatever he did in the past, the king was fair enough in his role to accept the change, which was legitimized through the recent elections. He was prepared to face any kind of threat, coercion or challenges from any side.

In a meeting with Home Minister Krishna Prasad Sitaula, a severe critic of monarchy, former king Gyanendra expressed his acceptance of the new situation. Former king Gyanendra reportedly told Sitaula that he will leave the Naryanhiti palace before the June 12 deadline. "I talked to him as am talking with you and he talked to me in the same



Prachanda: Up in arms

Gyanendra himself came to greet the minister and other officials.

Even before the abolition of monarchy, former king Gyanendra was clear in his mind that he would not accept any role compromising the national sovereignty and national integrity. "If I was given a choice, I would be happy to live as a commoner of independent and sovereign country," king Gyanendra reportedly told his relatives. As his earlier commitments, former king Gyanendra accepted the verdict of people though the

CA, whose whole process of dethroning him had flouted internationally accepted legal and constitution practice.

Whatever humbleness former king Gyanendra is showing by accepting the verdict of people, the coming days will not be rosy for him. The media reporting and reactions of so called civil society members and political leaders indicate that they will continue their tirade against him.

"King Gyanendra failed to apprehend the regional dimension of conflict and instability in which Nepal had to take care of undergoing regional tensions and conflicts. After the abolition of monarchy, the never ending debate is going on about the constitutional propriety and efficacy. But the most pertinent question in his time is regarding the removal of a time tested older institution of stability. Now political players of extreme outlooks and demands will be confronting each other in the game of political power in which the world at large and especially Nepal's next door neighbors cannot remain assured of the situation," said the political analyst.

"Each will have to do its best to keep away the other from becoming a dominant and dictating power in the affairs of Nepal. That way other players may also be forced to have their role in the country. Now the most dangerous scenario of irreconcilable conflict is looming large over the political horizon of Nepal, which will affect beyond its boundary," said the analyst. ■



CA: Playing a limited role

way. I found that the king had changed a lot," Sitaula told reporters after meeting with former king Gyanendra.

Sitaula went to the palace as an

envoy of the prime minister after the two government panels advised the government to hold political-level talks with the ex-monarch. Ex-King

NC Failed To Perceive The Threat To Its Future By Following The Pre-Planned Roadmap”

-Govinda Raj Joshi

Nepali Congress central working committee member GOVINDA RAJ JOSHI has had a long innings in politics. Although he had won all three previous general elections for parliament, Joshi lost the recently concluded election for CA. Known as a person with command in the party, Joshi spoke to KESHAB POUDEL on various issues regarding ongoing political crisis. Excerpts:

Thus, this is a calculated move of Maoists to compel G.P. Koirala to hand over power to them under the present provision of the constitution through which one needs two third majority to oust the government.

How do you visualize the coming political crisis?

Present politics is following a pre-planned road map. Unfortunately, Nepali Congress failed to perceive the threat to its future by following that road map. For instance, election was held despite the opposition from majority of party workers that Maoists would not permit us to visit our constituencies. As per the wish of Maoists, the country was declared republic without debating the matter and now the debate is going on regarding the need to hand over power to the Maoists.

Do you see any possibility of ending the political deadlock?

The objective of present political course is not to find a political solution. Thus, this is a calculated move of Maoists to compel G.P. Koirala to hand over power to them under the present provision of the constitution through which one needs two third majority to oust the government.

Do you think the CA will formulate the constitution?

All the activities indicate that the constitution making is not going to be the priority of CA.

How long, do you think, will the deadlock continue?

I cannot predict it because every time such deadlocks have been broken miraculously at the eleventh hour. But based on visible political trends, I can see the deadlock continuing for a long time to come.

How do you see the demand by the Maoists about the resignation of PM Koirala?

There is a section of people including the Maoists who are criticizing Girija Prasad Koirala for not resigning from his post. Till the fourth amendment, there was a provision in the constitution under which Speaker had the right to accept the resignation of prime minister but after the fourth amendment, there is now a provision that president is authorized to accept the resignation of prime minister.

Do you mean prime minister Koirala will continue?

As the president is yet to be elected, there is no place for Girija Prasad Koirala to submit his resignation to. On the one hand, all the political leaders agreed to add the constitutional provision that prime minister should

submit his resignation to the president, on the other hand, the same people are demanding prime minister's immediate resignation. The fourth amendment was proposed after intense discussions among three parties, seven parties and 25 parties before the motion was tabled at the CA.

Is there any link between Maoist threat to launch stir to pressure Koirala and this constitutional provision?

Yes, the Maoists are advised by some Nepali Congress leaders to launch stir and compel him to compromise with the Maoists. These people will put pressure on Koirala to accept Maoist proposal once the stir takes momentum.

Who are those people?

I don't want to point out their names but their names have already been published in newspapers. Some NC leaders, who are in the negotiating team, are working for Maoists. There is a rumor that CPN-Maoist leader Prachanda even proposed Girijababu to appoint three NC leaders as CA members under Maoist quota. If this rumor is true, there is Maoist penetration in NC. The present political situation is the result of this penetration.

As a politician with legal background, how do you see the legal process followed in the first meeting of CA?

The first meeting of CA was incomplete in accordance with constitution and existing law. According to constitution, the CA composes of members elected under first-past-the-post, members nominated through proportional representation and members nominated by the government. But, the CA was convened and took a major decision without fulfilling the constitutional provision as the government has not nominated members from its side. As a democrat, I can myself ask question whether the constitution was followed or not.

Why was it done in such a haste, then?

It was an intentional decision. If political parties had built consensus to declare republic, what was the harm in following the rule of law and course of constitution.

Why do you think all these things are being done so hurriedly?

The whole plan of the first meeting was to create the political deadlock in the country. It is the failure of our party not to have perceived the post election scenario. We did not discuss it. We went to election in a hurried manner with the only

agenda of republic. Even after the election, we did not discuss anything in the party. Forget about us, nobody is talking about the need to discuss the matter with all 25 parties as their views are taken for granted.

What about the Maoist threat to launch the stir?

Maoists are inviting confrontation by giving up politics of consensus. This confrontation is not for making a democratic constitution through CA but to bring out a constitution with tyrannical system. Maoists have already declared that they will write the constitution for People's Republic of Nepal.

Don't you think there is possibility for political consensus?

As NC and CPN-UML have already decided to amend the constitution, it is politically impossible to give Maoists a chance to form the government under the present constitutional provisions. If UML, NC and Madhesi Janadhikar Forum do not support, Maoista cannot form the government. I don't understand why Maoists are threatening the political parties instead of making serious and sincere efforts for consensus. As far as NC is concerned, it has already put seven point conditions to support Maoist-led government.

What is the CA doing then?

One of the main objectives of CA is to draft the new constitution. But its role is also to produce the new government. However, it is failing on both count till now. If this CA cannot make a new government nor can it draft a new constitution, what is its utility?

Where does the political solution lie?

The political solution lies with Girija Prasad Koirala because he is the only constitutional person. I have not seen any chance of removal of this government because there is no consensus and strength of opposition to oust this government.

What about the consensus politics?

I don't see any possibility of politics of consensus now. Politics of consensus is only possible if NC and UML surrender before Maoists. That is not going to happen.

Why does not your party allow the Maoists to form the government?

How can Maoists form the government when it does not have even simple majority. I agree that their position is the single largest party and they have secured more percentage of votes than ours. But it does not have two third majority as required by present constitution.

What will be the solution?

I don't see any political solution now. The



country is heading towards a political crisis as Maoists have started to threaten political parties, media and others. Nepal seems to be heading towards tyrannical rule. There is no guarantee of revival of democracy.

Maoists have been successful in imposing their will on other parties. Don't you think they will be successful this time also?

It is true that Maoists have always got what they wanted. But after the removal of monarchy, that is not going to happen again. We have always opposed alliance with Maoists but nobody listened to us as NC was trapped in miscalculation but now our party leaders cannot ignore us.

Don't you think Maoist backers will make impossible things possible now?

Of course, there is a strong backing behind the Maoists because of which they have come to the position where they are today. But there is also a limitation to all these things.

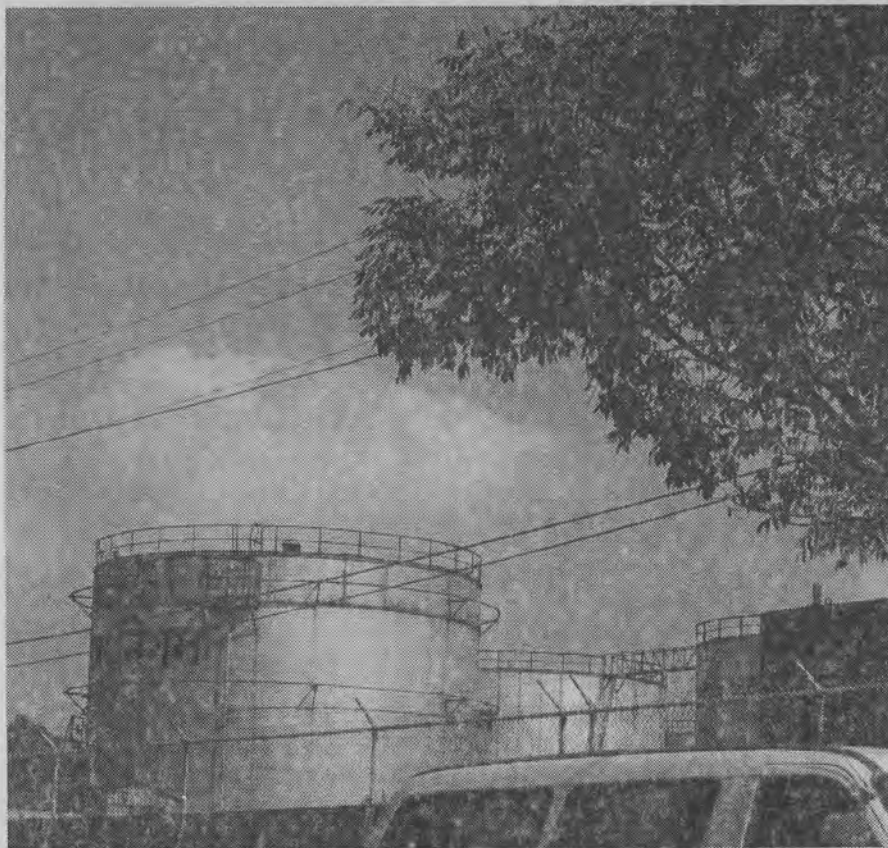
It is said that your party leaders don't take decisions on their own. How do you look at it?

Frankly speaking, Nepal is now in the weakest position in its history and the situation is very fluid and fragile. There are rumors and hear-say that leaders of seven parties agree after getting some notes from outsiders. There is a rumor that leaders of seven parties took major decision after receiving outside guidance. This indicates that our leaders are very weak and have lost the public trust.

Every time party leaders settle the major hurdles at the last minute, don't you think they will repeat the same thing again?

I am not denying the fact that such miracle can happen. Someone may force our leaders to make a deal. But looking at the conflict within the parties, I don't see any possibility for consensus. ■

We have always opposed alliance with Maoists but nobody listened to us as NC was trapped in miscalculation but now our party leaders cannot ignore us.



Oil stock: Receding

OIL CRUNCH

Slippery Course

The state-owned NOC has issued another warning of imminent disaster in fuel supply

By A CORRESPONDENT

Despite the grave nature of fuel shortage, the government – busy in its own political agenda – has only applied cosmetic measures to avert the crisis.

Last week, when the state-owned and bankrupt Nepal Oil Corporation (NOC) issued an SOS call saying it was totally unable to supply fuel without government subsidy, the government responded by throwing Rs 800 million at it.

But that measure could not even help for a week. The NOC has once again warned that the crisis is going to deteriorate as its monthly losses have soared to whopping Rs 2.7 billion a month.

Dragged by the record-shattering rise of petroleum products in the international market – which has doubled to \$ 130 per barrel of crude oil in last one year – the NOC is financially bleeding as it has not been allowed to adjust the domestic price.

The NOC has informed that based on new import prices from its sole supplier Indian Oil Corporation (IOC), its monthly losses have increased to Rs 2.7 billion from Rs 1.78 billion a month ago.

“Rising prices of crude oil and recent appreciation of US dollar have pushed the petroleum prices significantly up, pushing NOC’s monthly losses to a

record high,” said Digambher Jha, managing director of NOC, told *The Himalayan Times* daily.

As per the latest import prices of June 1, NOC said its losses on petrol and diesel stood at Rs 19.67 and Rs 43.73 per liter, respectively. It incurs a loss of Rs 36.07 a liter on kerosene and Rs 379.98 in a cylinder of cooking gas. “For the first time, NOC is incurring losses on sales of air turbine fuel (ATF), too,” Jha said, adding that the monthly loss on ATF has been calculated to be Rs 2.5 million.

Last month, the NOC had earned profit of Rs 96.3 million on sales of aviation fuel. The NOC has informed the ministry about new prices and its inability to ensure smooth supply of petroleum products, Jha said.

“We are left with no option. Either the government should inject more money to buy petro-products or immediately hike the prices,” Jha added.

The NOC has said that the current level of its stock could meet supply of petrol, diesel and kerosene for only six more days, while air turbine fuel (ATF) would last for only eight days.

Because of its outstanding dues with IOC, it has been going through short supply since the IOC cuts a specified amount every month to clear the past dues.

Jha said supply of fuel had already been cut by a whopping 50 per cent, which would be further reduced in coming days. “The NOC’s outstanding dues to be paid to IOC are mounting up every day, whereas payment is dropping,” he said, adding that the supply also depends on NOC’s payment to IOC.

Apart from its immediate supply problems, the NOC is also facing a serious financial problem as its total outstanding dues to local banks and financial institutions have crossed Rs 15.24 billion.

Even though Nepal is not unique in facing the fuel problem, it has been unable to deal with it properly and in a sustainable manner.

Any future UN role should begin with the request from Nepal

-Ian Martin

IAN MARTIN, Special Representative of the Secretary-General in Nepal, attended press conference at Reporters' Club, Kathmandu after his visit to New York. Excerpt of his press meet:

You said that Nepal still has a lot of challenges ahead. Do you think that UNMIN is needed here beyond the third week of July?

As I have said, that is a question for the Nepali political actors to ask themselves and decide. Certainly, I think there needs to be consideration, particularly, of what follows on from UNMIN's arms monitoring role. That has been the central task apart from our electoral work which obviously has now concluded. And one of the subjects of negotiation now amongst the political parties is how they intend to deal with the issues described in the Comprehensive Peace Accord as integration of the Maoist combatants and democratisation of the Nepal Army, and in that context they have to decide whether there is a need for continuing a UN role.

You said that UNMIN or the UN can continue support beyond the normal activities of the world body. Can you specify in which format that UN can continue the support?

No, because that has to start with what support the Nepal Government, the Nepali political actors want. If they tell the United Nations what continuing support they want, then it becomes up to the United Nations to configure, to design what kind of presence - undoubtedly very much smaller than UNMIN - might be useful in response to any such request. But it has to start with their request, their specification of any roles for which the United Nations is still required.

Did someone explicitly tell you we do not need UNMIN anymore or something like that?

As I have said, I still think it is clear that there is an urgent need to the answer the question as to what is the transition from arms monitoring. Now, that depends upon what decisions are made as to how the issues of integration of the Maoist army are going to be addressed by a new government, and it is when the political actors reach some agreement on that I think they need to say whether it requires a continuing United Nations role or not. But there is still a little time for that.

Have you discussed with political leaders on this matter?

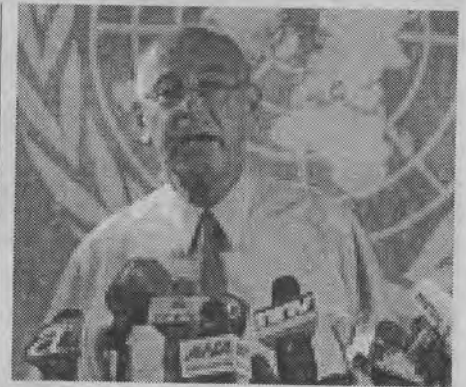
Very little. Because I think the discussion with political leaders has to begin with what are the functions that they believe are necessary. Then it is more for the United Nations side to say, well these are the ways that the United Nations would normally organise itself to provide the kind of assistance you are requesting.

Our most powerful southern neighbour; it has time and again, through its emissaries also, had some reservations of the extension of UNMIN. What would you say about that?

First, both China and India were very supportive of the creation of UNMIN. Indeed there was a discussion as to how long the initial mandate should be but that had much less to do with UNMIN and the circumstances of Nepal than it did to do with the general doctrine of the Security Council and their desire to ensure that they regularly review mandates and don't necessarily extend it for a long periods of time.

What about Nepal's northern neighbour China, which is the prominent member of the Security Council?

China is of course a member of the Security Council, and in the discussions in New York, it expressed - as it has



consistently - the view that any future UN role should begin with the request from Nepal, and its willingness to be supportive of such a request. India is not a member of the Council but both the outgoing Indian Ambassador, Ambassador Mukherjee, and the new Indian Ambassador, have said that the question of any continued role is a matter for Nepal, and therefore I have assumed that both governments would indeed be swayed by what the Nepali political decision-makers decide.

The Indian Sitaram Yechuri, [inaudible] categorically, in this forum also, said that UNMIN should not be continued after July 22?

I am going to confine myself to what official spokespersons from the Government of India say, and say to United Nations.

If the parties involved here say they are going to monitor the management of arms and armies ourselves without any neutral body, would it be credible for the international community?

It is not really a question of what the international community's view would be, it is rather: would it be sufficient to maintain the necessary level of confidence in Nepal. UNMIN is only here, not because the international community imposed it, but because Nepal requested it - because it was believed that a neutral third party would enhance the level of confidence in the process. That judgement again has to be made in Nepal. ■



Tourism

Rush to Mt. Everest

A group of Nepalese inclusive women group topped the Everest

By A CORRESPONDENT

As with the experience of past couple of years, this year, too, there was a rush on the Mount Everest. According to a report in *The Himalayan Times*, this year's Everest climbing season ended with footprints of around 257 climbers in 10 days. This year too, majority of those who made it to the top of the world were Sherpas. An official at the Ministry of Culture, Tourism and Civil Aviation, Ramesh KC, said the season of mountaineering has ended on May 30.

"This year's season ended with lots of new records. It is as exciting for the whole year as it has ever been," he said. Namgyel Sherpa scaled the tallest peak on May 20, becoming the first to scale Everest this year.

As many as 76 people reached atop the world's tallest peak on May 23. Ang Tshering Sherpa, chairperson of the Nepal Mountaineering Association, said, "Apart from setting new records this year, some mountaineers have appealed to the world to keep the environment of sacred mountain Chomolongma clean

and reduce the impact of global warming."

The Eco-Everest Expedition, aimed at raising awareness about global warming, was a new initiative launched by the climbers this year. Among the climbers, who returned to the capital today, 77-year-old Min Bahadur Sherchan, the oldest Everest so far, said, "I found Everest smaller than me. I felt myself so big, so high."

He said he did not face any problem during the ascent and he can scale the peak again. Veteran climber Appa Sherpa broke his own record by climbing Everest for the 18th time. He said he climbed the Everest not to set a new record, but to raise awareness on climate change. The First Inclusive Women's Sagarmatha Expedition also made history this year by scaling the tallest peak. Among the expedition members, Shaili Basnet became the first Nepali woman journalist to submit Everest. Ang Tshering Sherpa of NMA said the Everest climbing this year did not prove as risky as it used to be. ■

Rights Lapses

The London-based international human rights watchdog, Amnesty International (AI), has said that both the government and the Maoists largely failed to implement human rights commitments in the Comprehensive Peace Accord (CPA), signed in November 2006.

In its annual human rights report 2008 published on Wednesday, it said measures to address impunity for past violations and abuses were grossly inadequate in Nepal last year. Police and public prosecutors continued to fail in their duty to investigate and prosecute cases of human rights abuse. Vulnerable groups, including women and minorities, remained at risk of human rights abuses, it said.

AI also expressed concern over the lack of implementation of the recommendation made by a commission entitled to investigate the government atrocities in the April 2006 Jana Andolan, even after publicizing the report in August last year. AI further said government failed to form Truth and Reconciliation Commission (TRC) as agreed earlier, that would help improve human rights situation in the country.

The Commission of Inquiry to investigate the enforced disappearance set up on July 26 also failed to operate effectively. AI said abuses by Young Communist League continue while cadres of the Maoist party were also accused of abductions, torture and killings, including the killing of journalist Birendra Sah following his abduction on October 5 in Bara District, as well as seizing land and property and extorting money.

A number of armed groups committed human rights abuses, the report said. Factions of the Janatantrik Terai Mukti Morcha, an armed Madheshi group which split from the CPN (M) in 2004, were allegedly responsible for unlawful killings, kidnappings and bomb attacks, the report stated. AI report also said there were a number of reports of torture and rape by police and members of the security forces, some of whom were off-duty at the time. Among those raped were women with mental illness and girls. ■

SEF

Save Energy Save Earth

As the world community is expressing concern over the global warming, a Nepalese NGO makes efforts to minimize use of CO2

By A CORRESPONDENT

At a time when there are worries about the global warming which will inevitably shorten the life of liveable earth by inviting many natural devastations, Save the Environment Foundation (SEF), a Nepalese NGO, is trying to contribute to reducing the use of carbon dioxide, which is a major component causing global warming.

Unlike organizing a high profile function, SEF, an organization completely run by women under the leadership of its executive chairman Chanda Rana, is launching a campaign to encourage people to use the energy saving bulbs.

"As this year's slogan of World Environment Day is the need to reduce the carbon dioxide emission, we have planned to generate awareness on the use of energy saving light bulbs," said Chanda Rana. "This will contribute to reduce the emission"

Every one can make a difference to the global environment by making a small contribution. This is what Chanda Rana has been doing.

Since last fourteen years, SEF has been making its best efforts to keep the greenery of the valley intact. From fast growing trees to managing the garden, the SEF also planted trees along the road.

From taking up the role of making Kathmandu green to renovating the historically important places, SEF has made tremendous contribution in making Kathmandu valley clean.

In its quest to fight against the carbon dioxide emission, SEF is leading a new campaign to encourage the local population to use the energy saving bulbs.

"By using one energy saving light bulb, we can save 26 kilogram of CO2 a year," said Rana. "As the world is heating up, there needs to be a collective effort from round the world to reduce the

establishment in 1994. I have already prepared a case study on air pollution and its impact on health of general public," said Rana who has received Environmental Preservation Awards by the government, Gorkha Dakshin Bahu, Toyota Excellence Awards for Green Campaign, Samantha Award and various other rewards.



CO2," said Rana, who is also the online active member of Green Peace and member of Earth day Network, Washington.

"SEF will distribute stickers for vehicles and pamphlets to general public highlighting the benefits of use of energy saving lights bulbs which consumes less electricity for same light release," said Rana.

Designed by Green Peace and sponsored by Himalayan Bank, the SEF will go to the people to generate awareness on the energy saving bulbs.

"SEF has been taking air pollution issue seriously since its

"My aim is to make a little difference to the global environment by devoting a small time to preserve the world environment," said Rana.

SEF has also launched a program against the invasion of killer weed Mikania Mikrantha, a plant that kills others in Chitwan National Park, buffer zones area and entire Chitwan district. SEF also carried out campaign against Air Pollution, industrial pollution, wet land preservation (Bishhazari Tal) Garbage Pollution and many others.

SEF has proved that one does not require foreign funding to launch such programs. ■

Asian Powers

Brahma Chellaney explains how the rise of China, India and Japan will affect the rest of the world

By A CORRESPONDENT

From small to bigger countries of the Asia and the world, the rise of China and India has already created many opportunities as well as challenges. Amid this, the presence of strong Japan and its relations with India and China is creating another dimension of this situation.

Every one has been predicting that the twenty-first century is going to be the century of Asia, particularly due to the rise of China, India and Japan. The rise of these nations is going to remodel the world's economy, security and other strategic matters. Thus, the issue needs thorough study.

In his book *Asian Juggernaut*, prominent and renowned Indian author Chellaney foresees the challenges in Asian region. "Asian Juggernaut is the first wide-ranging study that examines Asia in totality, employing the framework to focus on the critical China-India-Japan strategic triangle. In that sense, it is a pioneering study," writes Chellaney in his preface.

India's renowned strategist Chellaney observes how the tectonic shifts in global geo-politics will affect the global order and its implications on Asia. The rise of China and India along with strong Japan - Asia's future will be shaped by their relationship.

After connecting Tibet with the rest of China through the railway, the overall geo-strategic situation of Himalayan region has changed as China's military capability has drastically increased in the region.

"The mid-2006 opening of the US\$ 6.2 billion China-Tibet rail link from Gormu to Lhasa, will accelerate the already-devastating exploitation of the Tibetan plateau's natural resources, militarily strengthen China's hold over Tibet and also its offensive military capability against India," writes Chellaney.

As Nepal shares border with India and China, the growing security concerns of India is definite to increase tension in Nepal triggering a long term political implication. "The railroad links Tibet



Asian Juggernaut
The Rise of China,
India and Japan
 By Brahma Chellaney
 Published by HarperCollins
 Prices: Rs.632.00
 Pages: 348

with eastern Chinese coastal belt, and helps tighten China's hold over the roof of the world," writes Chellaney. "A Southward railway spur from Lhasa to Xigatse - seat of the Panchen Lama's Tashilhumpu monastery - further strengthens China's military transport and reinforcement capabilities against India."

As India and China, which fought a bitter but short border war in 1962, are yet to settle their border disputes, frequent tensions still erupt between the two countries. The large number of Tibetans who has been living in exile in India is a major concern for China.

Despite improvement of economic relations between the two Asian juggernaut, they are yet to reconcile with each other and there prevails a fear psychosis which can be seen in the book.

This is a good book for those who want to understand how the Asian scenario

will evolve in the coming days. "As the three main players, China, India and Japan can set a model for other states in Asia by establishing stable political relationships that put the accent on mutually beneficial cooperation. Without these powers taking the lead, it may not be possible to deal with the increasingly complex security, energy and development challenges facing India," Chellaney draws the conclusion.

Highlights of the Book

- At short notice, the People's Liberation Army can intensify military pressure on India by rapidly mobilizing up to 12 divisions. A string of new Chinese military airfields along the frontier with India have also come up, even as China builds up its missile strength on the Tibetan Plateau.

- All in all, by beefing up Chinese logistic support in Tibet, the railroad arms China with multiple strategic benefits vis-à-vis India: enhanced power projection force capability; the option to step up direct military pressure; superior transport link with state that are part of the Indian security system (Nepal and Bhutan), a greater potential to meddle in India's restive northeast; and ability to dump goods in the India market via Nepal and the Chumbi Valley's Nathula Pass.

- Eventually, China would like to extend the Tibetan railway to Kathmandu even as it presently expands its road link with Nepal.

- Ever since the elimination of Tibet as the outer buffer, India has regarded Nepal and Bhutan as its inner strategic buffers. India would be gravely imperiled if it were to lose the two inner buffers. Chinese efforts to make strategic inroads in those buffers thus challenge Indian security. During 2005-Beijing signed contracts worth several million dollars to supply Nepal with 25,000 rifles, 18,000 grenades, five armored personal carriers, two aircrafts and other unknown arms.

- Having vastly upgraded its support infrastructure in Tibet and having begun expanding its transportation capabilities right up to its southernmost borders, China has developed influence over Nepal and Bhutan ...

- Despite the emergent realism in India, the country - with its traditional goody-goody approach - has shied away from a doctrine pivoted on strategic balancing.

- New Delhi's customary see-no-evil, do-no-evil policy on China only played into the hands of Beijing, encouraging it to expand its strategic leverage against India. ■

“The CA has come as fulfillment of six-decade-long aspirations of the people to write their constitution themselves.”

Prime Minister Girija Prasad Koirala, in his statement at the first meeting of the Constituent Assembly.

“Republic has come due to foolishness of (ex-King) Gyanendra. People’s republic will come due to foolishness of NC and UML.”

Prachanda, Maoist chairman, addressing a mass meeting at Khula Manch.

“We will stay out of government if both the positions of prime minister and president are not given to us.”

Dr. Baburam Bhattarai, senior leader of Maoists, talking to reporters.

“The president will be the commander in chief of the national army. He will act as per the recommendation of the Prime Minister. He will be authorized to declare emergency in accordance with the cabinet decision.”

Bimalendra Nidhi, leader of Nepali Congress, explaining the decision reached by top three



parties ahead of first meeting of CA.

“Though we are aware of the culture of functioning like a robot through remote-control, we have decided to register our note of dissent for the record for the posterity.”

Chandra Bahadur Gurung, member of CA representing RPP-Nepal – the only party that opposed the decision to implement republic – reading out his statement at the first meeting of CA.

“Its democratically-elected representatives have the solemn responsibility to prepare a new constitution as well as to act as an interim legislature during this next important phase of Nepal’s peace process, and to fulfill the people’s aspirations for sustained peace, economic and social progress, democracy and human rights.”

Ian Martin, chief of UNMIN, in a statement issued after the republic implementation by the CA.

TRANSITION

IMPLEMENTED: The first meeting of the elected Constituent Assembly (CA) approved the proposal to implement republic by overwhelming majority of 560 against 4 votes, on May 28.

NOTIFIED: Ex-King Gyanendra,

to vacate the Narayanhity royal palace, within 15 days, by the CA.

HOISTED: National flag in front of the Narayanhity royal palace, replacing the royal flag.

LEFT: Dr Evan A. Feigenbaum, US Deputy Assistant Secretary of

State for South and Central Asian Affairs, after completing a four day visit to Nepal.

REDUCED: The load-shedding hours to nine-hours a week by Nepal Electricity Authority (NEA).



ART EXHIBITION

Remembering Everest

Korean poet and photographer Kim Hyoung Hyo and Nepalese artist B. K. Nar Bahadur highlight the Mt. Everest

By A CORRESPONDENT

While the country celebrated the first Everest Day on May 29, artists have also come up with events to mark the occasion.

Korean poet and photographer Kim Hyoung and Hyo and Nepalese artist B.K. Nara Bahadur displayed their creations to celebrate the occasion.

The photos and paintings displayed by Korean and Nepali artists capture the beauty all along the trekking route from Lukla to Everest Base camp. Being a poet, Hyo captures the diverse views of mountains and its beauty. Similarly, Nepalese artist B.K. Nara Bahadur's painting also vividly describes the natural wonder.

Nepal's Himalayas remain one of

the main attractions for all kinds of people living in different parts of the world. Whether he or she is artist, poet, adventurer, the majestic and mighty Himalayas have always inspired them.

Many trekkers come and go just capturing the beauty of Himalayas in their mind but many capture the beauty of Himalayas in their cameras and paintings. But all of them have same kind of feelings regarding the beauty and tranquility of beautiful mountains.

Inaugurated by poet Manjul and artist Madan Chitrakar, the exhibition of photos and paintings by Korean and Nepali artists also reminds the need to conserve the beauty of mountains for generations to come.

Exhibited at Nepal Tourism Board from May 29 till June 1, the exhibition showed how beautiful Nepal's mountains are. "I find the areas of Mount Everest are very similar to Korea. The villages in Namche, Lukla and other areas along the trekking routes have many things to boast," said Korean poet Hyo. From natural characters to physical structures of people living in Mt. Everest region and Korea are basically similar with Mongolian features.

Korean photographer has also captured prayers in monastery, flags and surrounding villages.

Nepalese artist's paintings have some peculiar qualities as they portray the beauty of mountains through the changing faces of mountains.

Along with the landscape of Himalayas of north and green forest covered mountains, he also captured the life of surrounding people, and plants. This combination of nature with human is a central theme of his paintings.

The journey of Korean photographer and artist Nara Bahadur begins from the Lukla gateway to Mt. Everest and they wrap up their journey when they reach the base camp.

"I have made every effort to show more details, and I was much impressed with the beautiful landscapes, the peace and tranquility which prevail in the Himalayas," said artist Nara Bahadur. "I have to try to capture the surroundings including the flowers and plants."

Nara Bahadur is known for using brighter colors in his paintings but this time he uses dark colors to reduce the brightness. His experiment helps make the scenes more interesting. ■

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