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The National Newsmagazine

# SPOTLIGHT

Feb 24- Mar 02, 2006

## ECONOMY

### Struck by Inflation

Political Violence  
King's Action

: Western Concern  
: Parties' Reaction

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# सुखी परिवारको लागि सानो लगानी

प्रस्तुत छ... **परिवार वचत खाता**

यस क्रमिक वचत खाताले भविष्यमा तपाईं र तपाईंको परिवारको आर्थिक आवश्यकताहरू पुरा गर्दछ। यस खातामा प्रारम्भिक निक्षेप रु. २,५०० र न्यूनतम मासिक निक्षेप रु. ५०० जम्मा गरि विभिन्न सेवाहरू पाउनुहोस् ।

- ३% वार्षिक व्याजदर
- व्यक्तिगत दुर्घटना बीमा रु. ५०,००० सम्म
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- निःशुल्क अन्तर शाखा कारोबार सेवा
- ई-बैंकिङ्ग सेवा

विस्तृत जानकारीको लागि नजिकैको नेपाल इन्भेस्टमेन्ट बैंकको शाखामा सम्पर्क गर्नुहोस् ।



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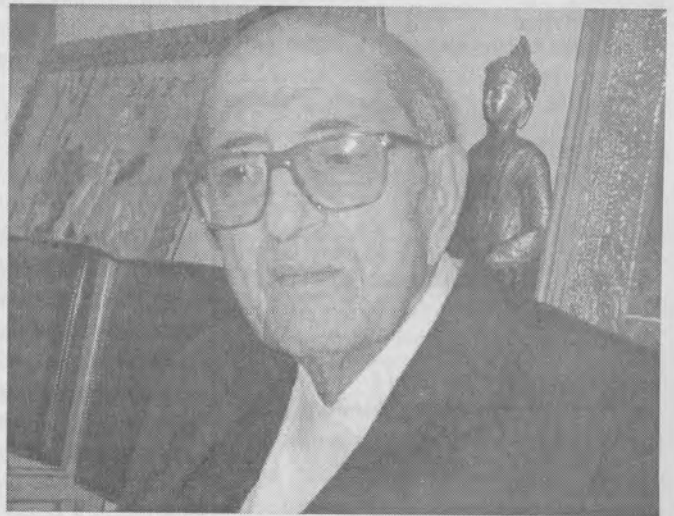
दरबार मार्ग ४२८२२, ४२४२३० सिन्धुखोला ६६५६५७, ६६१२८३२ बीरगञ्ज ५२३२५७, ५२५५७७ फुत्कीक ५५२०३४६, ५५४७८५८ बनेपा ६६२४०९ न्युरेड ४२४२८५८, ४२३०३७४ वीरगञ्ज ५२४५२३, ५२४५२४, ५२४५२५ बुटवल ५४९९९१, ५४९९९२, ५४९९९३ जीतपुर ५२०२९७ पोखरा ५२८९९९, ५२६९९९, ५२६९९९ पुतलिसडक ४४४५३०९, ४४४५३१, ४४४५३२ नारायणगढ ५३९९२९, ५३९९३०, ५३९९३१, ५३९९३२, ५३९९३३, ५३९९३४, ५३९९३५

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**SPOTLIGHT**

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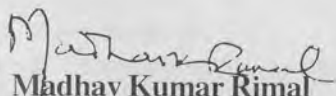
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The recent decision of Nepal's Supreme Court outlawing the Royal Commission for Corruption Control or RCCC has, for the first time in Nepal's history, initiated a trend that must be nipped in the bud if Nepal's revered institution of monarchy is to avoid any further *lesse majesty*. If not arrested immediately, this trend is apt to erode the sanctity of the institution which might adversely affect the solidarity, even the sovereignty of the nation. Indeed, nations can and do survive even if the people of a country decide to do away with their monarchy. But, monarchy cannot survive without the support of its overwhelming people. Even though a very small country, it is a great misfortune on Nepal's part that she has not been able to produce even one political leader who could lead the country by commanding the loyalty and support of a considerable section of her people. The twelve year rule of the country by the democratic leaders has totally exposed them to the people and they have lost all the trust and confidence of the poor Nepalis, creating a political vacuum. The Maoists could have become a deserving replacement had they not resorted to violence and vandalism taking the country to the brink of disaster. This has turned them from heroes to villains. Moreover, their extreme political ideology would never make them acceptable to the powers that rule the world. And a small and poor country like Nepal cannot even think of defying the world powers, neither her giant neighbors. As such, the monarchy should have been able to use the fragile situation to strengthen its hold on the people through people oriented policies and behavior. Besides, Nepal's diverse ethnic structure has greatly facilitated the difficult job of the monarchy, as it is the one and only force that can still bring the various Nepali communities into a strong bond of unified nationhood indirectly empowering the King to lead the nation. Since the concept of autocratic monarchy has undergone a revolutionary change, giving way to a constitutional one, our Kings also have to accommodate themselves to the new concept. History is witness Kings cannot deviate from their changed role and lose the trust and confidence of their people. Even the ancient Hindu epics, Ramayana and Mahabharata, teach us how cronyism and sycophancy lead to total annihilation of flourishing dynasties and consequently must be avoided at all costs. Failure to learn the lessons of history must be adduced to the unavoidable eventuality decreed by destiny.

King Gyanendra has repeatedly committed himself to abide by the constitution and stay a constitutional monarch. If he took over the reins of government in his own hand a year ago, it must have been dictated by the circumstances prevailing in the country at that time. Maybe he had no option to save the country from going to utter chaos. But the performance of the government in the crucial interregnum could not come up to people's expectations. Since it is supposed to be the King's government under his own stewardship, he cannot shirk taking the responsibility upon himself. And this could hurt his personal image which must not be permitted under any circumstance. The international brou-ha-ha pressurizing the King to start a dialogue with the agitating parties is a clear reflection of the inability of Nepal's diplomats to defend their government's policies. Consequently, King Gyanendra must lose no time in giving serious consideration upon his next moves. Because smaller countries like ours cannot swallow any kind of isolation. We must be able to reassure our friends and well wishers that their apprehensions are misplaced. In the total absence of honest, dedicated and patriotic political leadership, it becomes the foremost duty of the illuminated intelligentsia to guard the simple and innocent people from being misled and misdirected. Especially during such stressful times when the country's solidarity is at stake, all patriotic forces must join hands to pull the country out of fire. As such, in the present political atmosphere, it is only the monarch that can play the decisive role and rescue the nation. We do trust King Gyanendra is fully aware of his responsibility and will not hesitate to take any steps, even though most unpleasant, in the overall interest of the nation. After all, he must have realized by now that the Supreme Court decision was the direct sequel to the erroneous advice tendered by such sycophants and it is time they must be relegated to places they deserve. ■

  
**Madhav Kumar Rimal**  
Chief Editor & Publisher



## A Wise Decision

The Supreme Court's decision to scrap the Royal Commission for Corruption Control (RCCC) has now proved that the judiciary is independent from influence from power centers in decision making "JUDICIARY: A Proud Product of Democratic Innovation" (SPOTLIGHT February 17). The decision has given reply to those who were saying that there is no rule of law left in Nepal or that the Supreme Court is also indirectly under the umbrella of the royal regime. As you have written, this is one of the contributions of the democratic process the country has practiced in the last few years. It has once again boosted the morale of those who believe in independent judiciary and rule of law.

*Krishna Bhandana*  
Thamel

Tourism industry, considered the most prospective for quick development of the country, is suffering the most from the ongoing violent insurgency. Thousands of tourists who want to visit Nepal to spend their holidays are diverting to other destinations because of the political instability and chaos in Nepal. At present, the chief factors marring the business in tourism sector are general strikes and disruptions in transportation and communications. The prospective tourists, in most cases have started to ignore the internal violence considering it an internal matter that does not directly target the tourists. However, the disruptions in transportations and the consequent difficulty in mobility disturb the very purpose of holidaying. So, if the Maoists abstained from disrupting mobility and transportation, while devising strategies for achieving their political goals, it would keep the economy running and save the country from probable bankruptcy.

*Jeewan Subedi*  
Thamel

## Correct Errors

The cover story this issue about the judiciary was well written, informative and analytical "JUDICIARY: A Proud Product of Democratic Innovation" (SPOTLIGHT February 17). However, it contained typographical errors in the lead itself. Instead of writing 'Royal Commission for Corruption Control (RCCC)', you had written 'Royal Commission of Corruption (RCC)'. The latter phrase actually gives a meaning contrary to what it was intended. While, people who follow the news regularly will easily notice the mistakes and can correct it as they read, for some one who has seen the term for the first time it is misleading. So, an esteemed magazine like SPOTLIGHT should be more careful not to let typographical errors occur in the final print to maintain public image.

*Kedar Shrestha*  
Naxal

(Editor: The inadvertent error is regretted)

## Insurgency: A Lesson To All

While the Maoist insurgency that has marred the nation with violence for the past one decade has become very devastating to entire country and its people, it has also taught ample lessons to the political parties, the policy planners and leaders of the society "MAOIST INSURGENCY: A Decade Of Violence" (SPOTLIGHT February 17). The recent series of interview of Maoist supreme Prachanda has also made it clear that even the leftists or the hardliner communists are not convinced that a pure class less society as described in the communist manifesto is possible to attain given the present international trend. Likewise, the popularity or the influence of the Maoists among the people in a short time shows how inequality and exploitation in the society can fuel a conflict. While devising policy and plans for social or economical transformation, the policy makers should learn to take these things into account. Likewise, leaders of society should learn from their and their predecessors' mistakes and modify their activities in order to avert undesirable consequences on the future generations.

*Tanka Subba*  
Dharan

## Pertinent Issue

You have raised very pertinent issues in the cover story this issue "JUDICIARY: A Proud Product of Democratic Innovation" (SPOTLIGHT February 17). Nepal does not have a long history of independent judiciary system. Before the establishment of democracy in 1951, the judiciary was considered a part of the executive when the king or the prime minister could overrule the verdicts of the jury. However, after the establishment of democracy, the judiciary has gradually evolved itself as an independent body. While, often times it has faced criticisms and allegations of being influenced by the executive, the recent decision to dissolve the Royal Commission For Corruption Control (RCCC) citing it unconstitutional has once again proved that judiciary is free from any influence.

*Jit Kumar Gurung*  
Pokhara

## Abstain From Strikes

The story on tourism gives a shrewd analysis of the present situation the tourism entrepreneurs are facing "TOURISM INDUSTRY: Little Hopes This Season" (SPOTLIGHT February 17).

## Parties Stick To Agitation

Rejecting the call by the King to come for dialogue in the greater interest of the nation, the seven agitating political parties have stated that they will continue to be engaged in agitation aimed at 'undefeatable' democracy. Addressing the rally of the parties in the capital held to mark the 56<sup>th</sup> Democracy Day, leaders urged everyone to see through the King's message. They said that dialogue with the King was not possible unless the latter withdrew his February 1 step. Sushil Koirala, vice president of Nepali Congress (NC), blamed the King for the crises facing the nation. He added that the understanding with the Maoists was aimed at restoring peace. Lila Mani Pokharel, vice president of People's Front, said that efforts were on to intensify the agitation. Manmohan Bhattarai of NC (Democratic), said that if the King does not want to remain constitutional, every one must go for constituent assembly. *Leading dailies report.*

## Ball Is In The Court Of Parties: Dr. Giri

With the King's message on Democracy Day, the ball is now in the court of the political parties as far as the creation of atmosphere of understanding is concerned, according to Dr. Tulsi Giri, vice chairman of the Council of Ministers. "How they respond to the message, (coming political developments) will depend on that," said Dr. Giri. He said that the King's message is 'one step ahead.' "Look how beautiful language he has used in the message. The King has clearly called for understanding and dialogue. One should understand the aim of such language." In his message to countrymen on the occasion of Democracy Day, the King had stated, "Let us listen to others, put across our views, do away with discord and enhance mutual understanding; let us consolidate peace and democracy." Elaborating that such message would not contain specific agenda for discussion, Dr. Giri urged everyone to look into "substance rather than content" of the message. "Look carefully, many things are there," he said. Adding that constant street agitation

would not provide a way out, Dr. Giri stated that at some point the King and the parties must start talking. "There should be flexibility," said Dr. Giri, adding, "It is not that the parties must accept whatever the King wishes. It is all about give and take. That can happen after listening to each others' viewpoints. At least, there should be positive response. But if somebody outright rejects dialogue, what can anyone do?" He also urged the parties to think where they want to see the politics moving. "One hand cannot clap. Hands should be extended for talks, meeting should be held. Agreeable positions should be discussed." Saying that NC president Girija Prasad Koirala could not keep the position that suspension of municipal polls would lead to dialogue, Dr. Giri added, "He backed out from that position even before the polls. There could have been dialogue on that position. That was not an agreeable position. Polls could have been suspended." *Kantipur daily reports.*

## King Calls For Dialogue

King Gyanendra has urged all the 'willing' democratic parties to come forth to fully activate the 'stalled democratic process in the greater interest of the nation.' Saying "it is our wish to hold dialogue with all democrats in the interest of peace and democracy," the King has appealed for strong solidarity among all who have faith in multiparty democracy. In his message to the nation on the occasion of the 56<sup>th</sup> Democracy Day, King Gyanendra states, "Let us listen to others, put across our views, do away with discord and enhance mutual understanding; let us consolidate peace and democracy." The King also stressed that those who have been misguided should shun violence and destruction and enter the mainstream of peace and multiparty democracy. "In spite of the apparent adverse environment, the Nepali people have demonstrated their faith in the power of the ballot during the recently held municipal elections," the King said. "The nation seeks solidarity amongst all who have faith in multiparty democracy to formulate a mechanism which ensures that peace and democracy are never again jeopardized," the King said, adding, "Democracy could be re-

energized with the activation of all representative bodies through the electoral process in the coming days as well." The King added, "We are committed to abide by and safeguard the constitution in the best interest of Nepali people and their prosperity. All should remember that democracy can survive only in rule of law and the constitution is the fundamental of the law." *Leading dailies report.*

## Maoists Call Indefinite Strike In April

The Maoists have announced a new series of protest programs that would last till April. Sources close to Home Minister Kamal Thapa, however, said, "immediate reaction (on the Maoist announcement) was ruled out." In a press statement, the Maoists announced an "indefinite political strike from April 3." The general strike would entail nationwide closure of educational institutions, markets, manufacturing units and factories and disruption of transport services," the statement said. The period from March 14 to 20 will also see a general strike and blockade in areas surrounding the capital. Similarly, the Maoists have earmarked the period until March 14 for "preparations." The Maoists also said they would continue backing protest programs announced by the seven party alliance. *The Himalayan Times daily reports.*

## Pathak Accuses 'Some Rights Workers' Of Defaming The Nation

A member of National Human Rights Commission (NHRC) has accused a section of human rights activists of deliberately attempting to defame the nation in the international arena and calling for foreigners to impose sanction against their own country. "Such is the level of propaganda in the international level that foreigners tell us that in Nepal you may step on a bomb everywhere you go and you may get killed every time you venture out of your house," Sudip Pathak said, addressing an interaction program in Reporters' Club on Saturday. He added that in the last one year the international community has doubled their

support in human rights in the country. He indicated that some rights activists guided by the lure of the resources, are "actively engaged in compelling the international community to impose sanctions against their nation." He also expressed surprise that Nepalis rather than foreigners are more bent on seeing that the country is slapped with Item 9 in the UN human rights commission resolution. Speaking at the same interaction program, Subodh Pyakurel, president of INSEC, called on the need for international sanction against Nepal. At the program, a number of human rights activists condemned the Maoists for the death of a government official while in their custody. Joint regional administrator Prem Prasad Sapkota, who had been abducted from Dhankuta, has died in Maoist captivity. His wife has accused the Maoists' apathy to his health led to the death. *Compiled from reports.*

## Leaders Disagree With US Envoy's Remarks

Leaders of seven political parties have disagreed with the remarks of the US ambassador James Moriarty cautioning them against alliance with the Maoists. "We are trying to bring the Maoists to mainstream. That is not going to happen quickly," the leaders said. Dr. Ram Sharan Mahat, central leader of Nepali Congress (NC), said he does not agree with the ambassador's remark. He said, "Dialogue will be held for the implementation of 12-point understanding. That will give the solution." He also disagreed with the envoy's call for reconciliation with the King who has 'trampled the constitution.' K.P. Sharma Oli of Unified Marxist Leninist (UML) said that the parties-Maoist alliance was based on the belief that even the terrorists should be given chance if they want to return to peaceful path. He stated that Moriarty's remarks on democracy were positive. He said the repeated condemnation by the Maoists against the US could have irritated Moriarty. *Nepal Samacharpatra daily reports.*

## Army Man's Wife, Mother Killed

An unidentified group brutally killed the wife and mother of a Royal Nepalese

Army (RNA) hawaldar at Pauwatar of Gaikhur VDC in Gorkha district on February 15 night. Three others of the family sustained critical injuries in the attack. The group attacked the house of RNA head constable Suk Bahadur Gharti and killed his 60-year-old mother Batu and 29-year-old wife Samjhana, according to police. Gharti's father, Padam Bahadur, and sons, Sujan (8) and Suman (4), were seriously injured. The kids were struck by sharp weapon. Meanwhile, in a separate incident, a civilian identified as Bhola Shah (25) was killed when a landmine planted by Maoists went off on Thursday morning in Baghwana VDC near Birgunj. An RNA personnel was injured in the incident. *The Himalayan Times daily reports.*

## Maoist Ties Will Hurt Parties: Top UK Official

Antony Stokes, the head of the South Asian Group at the British Foreign and Commonwealth Office, who arrived in Kathmandu on February 15, met Nepali Congress president Girija Prasad Koirala and conveyed his government's concerns about Nepal. Stokes is learnt to have told Koirala that the 12-point understanding with the Maoists was not in 'favor' of the parties. Party sources said Stokes suggested for 'reconciliation' between the constitutional forces (the monarch and the parties) to "isolate Maoists nationally and internationally." "The British official expressed his government's concerns and we put forward our stance, which is based on the six-point (common minimum) program and the 12-point understanding reached with the Maoists for peaceful transformation of Maoist insurgency," said Arjun Narsingh KC, member of NC Central Working Committee. KC refused to elaborate on what Stokes had told Koirala but said, "The international community may say what suits it, but we have clarified that the seven parties are firm to activate the Constitution and that the 12-point understanding with the Maoists was reached in a realistic context to bring Maoists to the mainstream." He added that Stokes was clearly told that the Maoists need safe landing and thus the 12-point understanding. Party sources said Koirala was in 'bad mood' after meeting Stokes.

The source quoted Koirala as saying, "Foreigners don't understand." Sources add that Koirala told the visiting guest that the international community was 'misunderstanding' the spirit of the 12-point understanding. Stokes was also told that the King had failed to do anything to restore democracy. Stokes is the second foreigner after the US ambassador James F. Moriarty to say that the alliance between the parties and the Maoists was ultimately going to harm the parties. According to the British Embassy, the visiting official, who was here for two days, also met the government ministers, senior party figures and some diplomats based in Kathmandu. He left for New Delhi today, an embassy official informed. Meanwhile, US ambassador Moriarty met with Sher Bahadur Deuba, president of NC (Democratic) at the latter's residence in Budhanilkantha. *The Himalayan Times daily reports.* ■

## Secure Borders And Open Doors

The United States Department of State has announced the extension of the length of time foreign students may be issued student visas. "This is one of the elements of the recently announced Rice-Chertoff Joint Vision which will enhance border security while streamlining security processes and facilitating travel for visitors to the United States," states a press release issued by the US Embassy.

According to the release, the students applying for initial-entry F-1, F-2, and M-1 and M-2 visas may now be issued those visas up to 120 days before their academic program start date (as compared to 90 days under previous regulations). J-1 and J-2 visitors may be issued visas at any time before the beginning of their programs.

"These changes apply only to initial-entry students. Continuing students may apply for new F or M visas at any time, as long as they have maintained their student status and their Student and Exchange Visitor Information (SEVIS) records are current."

"As part of the Joint Vision announced by Secretaries Rice and Chertoff, this change reflects our ongoing commitment to ensuring the safety of our citizens and our visitors by keeping our borders secure, while also taking significant steps to ensure that our doors remain open to those seeking to visit, study or conduct business in the U.S."



**Crown Prince Paras and Crown Princess Himani at 20th Birendra Shield sports competition in Pokhara**

Gorkhapatra

**FOLLOWING NEWS REPORTS OF DETECTION OF BIRD** flu in western India, the Department of Livestock Services has decided to ban all kinds of poultry imports into Nepal including live fowl, frozen meat, unprocessed meat, egg and other related items. Stating that Nepal runs high risk of receiving bird flu from India, the department has informed all the 24 quarantine posts across the country to remain on high alert. "We are on high risk due to open border with India," said Dr. Dhanaraj Ratala, program director at the Department. The department has also urged people to immediately inform the authorities if they see sudden death of large number of birds.

**CHIEF OF THE ARMY STAFF, RNA, GENERAL PYARA JUNG** Thapa has said that the RNA has and will continue to remain firmly committed to protect the human rights and security of innocent persons. Addressing soldiers and officers in various security camps in eastern and central RNA division, General Thapa ordered them to unify to protect human rights. He said, "We must remain committed to abide by the frequent orders by the army headquarters on human rights protection." Saying that even the Maoists were Nepali brothers and sisters, General Thapa said they should be welcomed if they wish to renounce 'terrorist' activities and join national mainstream. He said that the security forces were able to successfully carry out its duty while conducting the municipal elections.

**THE DEPARTMENT OF EDUCATION IS PREPARING TO** bring religious schools like Madrasa, Gumba (monastery) and Gurukul into mainstream. The effort is aimed at roping in students of all ethnic communities in a national mainstream. Following that, the national curriculum will be used without affecting the teaching of religious subjects. The Department has informed that it has formed a seven-member advisory committee headed by the director general of the department to suggest ways for mainstreaming them. According to available data, out of 1481 Gumba in the country, 500 are providing educational services. There are 3000 Madrasa and 80 Gurukuls.

**A UN AGENCY ON DISAPPEARED PERSONS** HAS issued a one-month ultimatum to the government to make public the whereabouts of disappeared persons. The Working Group on Enforced or Involuntary Disappearance (WGEID) has urged the government to make public the whereabouts within the first week of Chaitra (third week of March). Otherwise, the government could face additional targeted actions in the forthcoming UN Human Rights Commission meeting in Geneva. Such actions could include passing Resolution under Item 9, which could unleash further international actions against Nepal like visa restrictions and so on.

**THE OPERATION OF PREPAID MOBILE PHONES** has resumed since Thursday (February 16) – one month after their services had been suspended by the government. Prepaid mobiles of both Nepal Telecom (NT) and Spice Mobile have resumed operation. NT alone has 207,000 prepaid subscribers in Kathmandu Valley. It has further 47,000 customers outside the valley. The Spice, too, has 70,000 prepaid subscribers.

**PAKISTAN HAS RATIFIED THE SOUTH ASIAN FREE TRADE** Area (SAFTA) formally ending speculations that it could refuse to do so. The Pakistani cabinet decided to adopt the SAFTA opening the way for its enforcement in the region. Earlier, Pakistan had indicated it would not sign SAFTA before the resolution of political problem of Jammu and Kashmir. It delayed the formal adoption of SAFTA by one and a half month. Now only Sri Lanka remains to formally notify the SAARC Secretariat of the adoption of SAFTA. The Sri Lankan government has already committed to adopt the SAFTA. It has said it would adopt it after the parliamentary elections.

**FOLLOWING THE LACK OF INTEREST SHOWN BY INDIAN** side, the government has decided not to award the 300 MW strong Upper Karnali hydropower project to India. The government had written a letter stating that it would develop the project itself if India did not show interest. The letter submitted to the Indian Embassy had also given specific deadline for the latter to react. Source at the Ministry of Water Resources said that since no reply came from the Indian side in the prescribed period, the government believes all previous informal understanding regarding the project development as null and void. Indian side had been informed that since Nepal was facing acute load shedding, it needed to quickly develop power projects and since Upper Karnali was one of the attractive projects, the Nepalese government could not linger on anymore. Since February 1, 2005, India has suspended all water resource-related dialogue with Nepal. Earlier, India had, in principle, agreed to invest 51 percent in the project. Since the per unit cost of the project is said to be less than Rs 2, domestic experts had been urging that the project be developed for the sole purpose of fulfilling domestic demands. ■



“The nation seeks solidarity amongst all who have faith in multiparty democracy to formulate a mechanism which ensures that peace and democracy are never again jeopardized.”

*King Gyanendra, in his message to the countrymen, on the occasion of the 56<sup>th</sup> Democracy Day.*

\* \* \*

“The ball now is in the party’s court and naturally further political development will go ahead as per the response of the political parties to the message.”

*Dr. Tulsi Giri, vice chairman of the Council of Ministers, in Kantipur.*

\* \* \*

“Democracy is most important. Whether monarchy exists or not, it is not for me say.”

*Sher Bahadur Deuba, former prime minister and president of Nepali Congress (NC-Democratic), addressing a press meet at his residence after being freed from the Custody of the erstwhile Royal Commission for Corruption Control (RCCC).*

\* \* \*

“There is no other practical, workable solution to your constitutional crisis and to effectively face the most immediate, as well as the most serious long-term, threat to your peace and prosperity – the insurgency.”



Bimarsha

*James F. Moriarty, American ambassador to Nepal, underscoring the need for reconciliation between the King and the political parties.*

\* \* \*

“The Supreme Court’s verdict (to scrap off the Royal Commission for Corruption Control) has given a sharp reply to those who say the king had become autocratic.”

*Ashok Nath Tiwari, political analyst and former member of the National Assembly, in Jana Bhawana.*

\* \* \*

“I will also take initiative (for the unity) and I also appeal Girijababu and Sher Bahadurji to work for this.”

*Krishna Prasad Bhattarai, senior leader and former prime minister,*

*talking to the visiting leaders of NC (D) at his residence in Bhainsepati, and appealing for unity of NC.*

\* \* \*

“Such is the level of propaganda in the international level that foreigners tell us that in Nepal you may step on a bomb everywhere you go and you may get killed every time you venture out of your house.”

*Sudip Pathak, member of National Human Rights Commission (NHRC) speaking at an interaction program in Reporters’ Club.*

\* \* \*

“By stating that the sovereignty and the state power is vested in Nepali people, the SC decision has destroyed the foundation of royal proclamation.”

*Radheshyam Adhikari, advocate and member of National Assembly, in Kantipur.*

\* \* \*

“This verdict has clearly established that the King does not enjoy power to do whatever he likes.”

*Laxman Aryal, former judge of Supreme Court and one of the drafters of the Constitution of the Kingdom of Nepal, 1990, in Kantipur.*

\* \* \*

## TRANSITION

**ELECTED:** Shyam Mohan Shrestha as the president, **Ramesh Khetan** as the vice-president, **Kailash Bahadur Shrestha** as the general secretary and **Rajan Amatya** as the treasurer of Nepal-France Chamber of Commerce & Industry (NFCCI), by the 10th Annual General Meeting (AGM) of NFCCI.

**AWARDED:** Nepal Tourism Board (NTB), with the PATA Gold Award 2006

in the CD-ROM category, for its Nepal interactive CD ROM, for the second time, by Pacific Asia Travel Association.

Tamakoshi Sewa Samiti, with the Osaka Image Award, by state memorial gallery and museum in Oklahama.

**HONORED:** Movie director **Narayan Puri**, litterateur **Durga Bahadur Subedi Chhetri**, industrialist **Linendra Prasad Pradhan**, singer **Gopal Shrestha**, and social workers **Krishna Bahadur Thapa** and **Sagun Shah**, with ‘Simple Honor Program’, by Simple Arts.

**FREED:** Production manager **Prabhakar Bikram Shah**, factory engineer **Sarbajeet Rana** and commercial manager **Dambar Mani Limbu** of Surya Nepal Private Limited, who had been abducted by the Maoists about two weeks ago.

**ACCREDITED:** **Madhu Raman Acharya**, permanent representative of the Kingdom of Nepal to the United Nations, also as the ambassador to Argentina, by the King, in accordance with the Constitution of the Kingdom of Nepal, 1990. ■

# Hydropower Potential Of Nepal

By DR. AB THAPA

Worldwide, hydropower represented 19 percent of the total energy generated in 1999, the most recent year for which data are available. In many countries, hydroelectric power is the dominant source of electric power. In 1999 Norway derived 99 percent of its power from hydroelectric plants. Canada, the largest producer of hydroelectric power in the world, generated 340.3 billion KWh. in 1999. This figure constituted 60 percent of the nation's electric power. Hydroelectric-power generation in the United States increased from about 16 billion KWh in 1920 to 305.6 billion KWh in 1999. Although the United States runs a close second to Canada in the total amount of hydroelectric power produced, only 8 percent of the electric power used in the United States was generated by hydroelectric power plants in 1999. Nepal produced only about 2.2 billion KWh hydroelectricity in the year 2003 despite the fact that Nepal is one of the very rich countries in hydropower resources. Its hydropower potential is estimated at 83.28 million KW.

INTERNATIONAL Water Power & DAM CONSTRUCTION journal had published some years back data on hydropower potential of various countries. The hydropower potential has been divided into three categories: (1) Gross theoretical hydropower potential, (2) Technically feasible hydropower capability and (3) Economically feasible hydropower capability. Hydropower potential or the

gross theoretical hydropower potential has been defined as the annual energy potentially available in the country if all natural flows were turbed down to the water level of the border of the country with 100 percent efficiency. Such potential is expressed in terms of annual energy generation (GWh/year) or power (GW, MW or KW).

### Determination of Nepal's Hydropower Potential

Dr. H.M. Shrestha had been conducting research works in the Moscow Power Institute of the former Soviet Union more than 40 years ago. His research works had culminated in establishing with a quite reasonable degree of accuracy the hydropower potential of Nepal to be about 83 million KW. As a result, his findings have been accepted without any reservation by everybody. In course of his daunting research works he had analyzed the maps of rainfall distribution and average surface run-off of the rivers flowing

in Nepal. The typical profiles of Nepal's rivers were observed, and an empirical formula was derived that could be used for approximate evaluation of the power potentials of small rivers. The rivers were classified according to the sources of their feeding.

For the purpose of evaluation of the power potential, the rivers have been divided into two groups: (1) Big rivers with catchment area of more than 1,000 sq. km. (2) Small rivers, which have catchment area less than 1,000 sq. km. A total of 115 rivers were studied. Out of the total 115 rivers, the number of big rivers are 33. The rivers have been divided into basin wise also. The river basins are Sapta-Kosi, Sapta-Gandaki, Karnali & Mahakali, and southern rivers. Catchment areas of each of the above basins excluding the areas in Tibet are 27,300 sq. km., 31,600 sq. km., 47,300 sq. km., and 39,300 sq. km. respectively. Similarly the gross theoretical hydropower potential of each of the above mentioned basins are 23.35

million KW, 20.65 million KW, 36.18 KW, and 4.1 million KW respectively. According to Dr. Shrestha's findings the gross theoretical hydropower potential of all big rivers with catchment area exceeding 1,000 sq. km. is 72.45 million KW. The hydropower potential of small rivers, which have catchment area less than 1,000 sq. km., is only about 10.83 million KW. Thus, Dr. Shrestha established that the theoretical hydropower potential of Nepal is 83.28 million KW.

### Misleading Information

Our media, planners, politicians etc are never tired of telling that Nepal is the second richest country in the world after Brazil in hydropower resources. They chose to ignore even though they are repeatedly told that neither the Brazil is the world's richest country in hydropower resources nor Nepal is the second richest. There are a number of countries even in our own neighbourhood such as China, India and Russia possessing far more hydropower resources by comparison with Nepal. China is the richest country in the world in hydropower resources. According to some recent data the hydropower potential of China is estimated to be about 676 million KW. Hydropower potential of Brazil is only about 365 million KW. Hydropower potentials of Russia, India, Peru, Colombia, Canada and Ecuador are 330 million KW, 300 million KW, 210 million KW, 147 million KW, 110 million KW and 93 million KW respectively. Technically

*Our media, planners, politicians etc are never tired of telling that Nepal is the second richest country in the world after Brazil in hydropower resources. They chose to ignore even though they are repeatedly told that neither the Brazil is the world's richest country in hydropower resources nor Nepal is the second richest. There are a number of countries even in our own neighbourhood such as China, India and Russia possessing far more hydropower resources by comparison with Nepal. China is the richest country in the world in hydropower resources.*

feasible hydropower potential of Congo is 120 million KW. Thus the total hydropower potential of Congo should be far more than 110 million KW. Hydropower potential of Nepal is about 83 million KW.

There was a funny incident that explains how little we know about the hydropower resources in general and the techno-economic limitations in transmitting electricity across a very long distance in particular. Certain section of media and planners were upbeat when one of the multinational hydropower developers proposed a deceitful plan to develop Nepal's abundant hydropower resources to export hydroelectricity to China, which is the world richest country in hydropower resources. Some of us might have been terribly shocked when that very multinational company was severely punished a few years later for its illegal deeds in its own home country. However, many of us might not have still realized that we were being deliberately misled.

**Basin Studies**

Basin studies had been carried out in the past to identify the economically feasible projects in Nepal. Status of each of the river basin studies is briefly described hereinafter: (1) Karnali River Basin Plan Study to utilize the hydropower potential had been done and the report submitted in 1966 by NIPPON KOEI of Japan under the UNDP assistance. This basin study was revised in 1990s to present in more detail the projects identified in the earlier studies. (2) Gandak River Basin Power Study was done by SNOWY MOUNTAINS E.C. of Australia in 1979. (3) Kosi Basin Masterplan Study was done under the assistance of the Japan International Cooperation Agency in 1980s.

**Economically Feasible Hydropower Potential**

Water and Energy Commission( WECS) of HMG had carried out in 1984 a study to determine the economic feasibility of major hydropower projects located across the country. With the exception of "megaprojects", such as the Chisapani Karnali and High Kosi, or projects that had already been studied to feasibility level, such as the Sapta Gandaki, Mulghat, Kankai and Marshyangdi, virtually every project in the WECS projects list had been evaluated.

The above mentioned study suggests that due to the long lead time required for the development of hydropower projects, the planning studies to identify and evaluate potential future projects must be initiated 10 to 12 years in advance of the required in-service dates of the projects. The development of low cost sources of additional electric power supply in Nepal had often been hampered by a lack of up-to-date studies on alternative projects that could be considered for development. This resulted in the commitment to relatively costly projects for early development due to lack of alternatives. Unfortunately, Nepal is facing in 1980s, 1990s and even until now the same type of problems.

The WECS study points out that the high capital costs of most of the projects in the hydropower sector justifies fairly detailed and comprehensive studies at an early stage in order to ensure that an adequate number of feasible alternatives are available to allow selection of only the most economic projects for actual development. The study cautions that in the difficult geologic conditions found in the Himalayas it is always possible to encounter unforeseen problems that could significantly increase project costs. ■

*(Dr. Thapa writes on water resources)*

# Travel Advisories Hurt The Poorest

The Nepal Association of Tour Operators (NATO) has stated that its attention has been drawn to the very adverse impacts that travel advisories in general have on the well being of the poorest section of Nepali society.

"While NATO members thoroughly understand the responsibility of various governments to protect the interests of the nationals of their own countries and to look after the well being of their taxpayers traveling abroad, we must, at the same time also point out the severe economic dilemma being visited upon approximately 7,50,000 people of Nepal who depend on the tourism industry to eke out their livelihoods," states the press release issued by NATO.

"In large parts of this country this industry has served as the only source of income for the people who are more often than not the sole breadwinners in their family and at least three people in turn are dependent on them. The tourism industry is one that facilitates the exchange of ideas among people and helps bridge the perceived gaps between peoples of various cultures and religions and in Nepal in particular has served to take economic benefits directly to the village level when coupled with activities related to mountain tourism."

"It has often been declared by leaders and statesmen including US President George W. Bush and British Prime Minister Tony Blair that ending world poverty is

one of the major goals of the 21st century. Against this background, those who must depend on the tourism industry to sustain themselves on a daily basis cannot but fail to see how this is to be achieved by using travel advisories as an economic weapon. Further, many countries have spent millions on programs to alleviate poverty in many parts of Nepal, but all of that is becoming undone by again denying the same people they set out to empower in the first place the wherewithal to become self sufficient."

The NATO has requested "all governments to review the current trend of using the system of travel advisories, less as an information tool and more as a means of economic diplomacy." ■

## WESTERN DEMOCRACIES

# Distant Well-wishers

Ambassadors of western democracies, particularly the United States and England, express the need for reconciliation between the King and the political parties

By KESHAB POUDEL

The U.S. ambassador James F. Moriarty seems to have disturbed a hornet's nest by expressing opinion of his country regarding the alliance between armed and violent Maoists and unarmed political parties.

After his address to a meeting on February 15, some of the broadsheet papers have launched a tirade against him. At a time when the country has been passing through a very critical phase, the role of reconciliation—which was played by political leaders like B.P. Koirala in the past—has, unfortunately, found no taker in the country.

For the first time in the history, perhaps Nepalese people seem poorer in the question of conscious leadership. Thus, the situation is going beyond the apprehension and control of Nepalese leadership.

Sandwiched between two powerful neighbors India and China, Nepal's prolonging instability and violence have already generated a kind of uneasiness in capital of both the neighbors. The reactions expressed by the government officials in New Delhi and Beijing in recent months is enough to demonstrate their concern.

In a sense, it is not unexpected that others who may have a concern in Nepalese affairs cannot remain mute and silent before its neighbors collide with all their military might. "Friends and well wishers of Nepal—who have a stake in the stability and peace of the region—could not restrain themselves within the diplomatic niceties. So the reactions are there from the distant friends like the US and England," said an analyst.

"As I have done repeatedly, and as the commander of the U.S. Pacific

Command did in Nepal here two weeks ago, the United States continues to call for reconciliation between the King and the parties. We did so again last week after the failure of the municipal elections. Major international partners have urged a similar course. I make the same common sense plea here today," said the U.S. ambassador Moriarty in his recent speech. "For Nepal is now facing a choice between three possible futures. If the King and the parties reconcile, they can find a path back to genuine democracy and an effective means to counter the insurgency."

Moriarty addressed a gathering around the same time when Antony Stokes, the head of South Asia Group at British Foreign and Commonwealth Office of the United Kingdom visited Nepal. Stokes met Nepali Congress leader Girija Prasad Koirala and reportedly conveyed his government concerns about Nepal's political equations including the seven parties Maoist alliance. "Stokes is learnt to have told Koirala that the 12-point understanding with the Maoist was not in favor of the parties. Stokes reportedly suggested for reconciliation," writes The Himalayan Times.

Stokes is a second foreigner after the US ambassador Moriarty to say that alliance between the parties and the Maoists was ultimately going to harm the parties.

The growing concern expressed by the diplomats of western countries showed that the peace in Nepal may set the destiny of Nepal as well as region.

Geographically, Nepal is still a yam between two neighbors but the current global situation has added new players like western democracies particularly the United States of America and the United Kingdom. Though they are far away from

Nepal, they are in a position to influence internal politics as well as strategic equations.

Earlier, these two countries have reportedly said that they will see Nepal from New Delhi's eyes. For the first time, the US and the UK has declared their own policy to Nepal through their ambassadors and emissaries. "The west seems to have realized the unique position of Nepal and declared their own policy. They don't have immediate security and economic interests in Nepal. Their policies are more realistic and friendly to this country whereas both the bigger neighbors of Nepal have their own security interests as their primary concern. Thus, that may be realistic but not all the time friendly," added the analyst.

"I do believe that despite the vast geo-political and geo-strategic changes that have recently occurred in the world, particularly on the subcontinent, by and large, we continue to maintain close security relationship between our two countries. Its graph has had minor fluctuations. But when one looks at it through a historical prism, these fluctuations are insignificant. Having said that this, I must also caution that, as we enter the globalization era, and faster the geopolitical and strategic changes occur, New Delhi and Kathmandu will have to show much greater sagacity, perceptiveness and understanding to maintain the steadfastness of these ties," writes India's former chief of the army Ved Prakash Malik in his article India-Nepal Security Relations.

Similarly, Chinese scholars, too, have expressed concern over Nepal's security ties with next door neighbor. "Nepal's independence is essential prerequisite elements for China's security. Thus, Nepal remaining under India security umbrella is constant threat to China," writes Wang Zong, in his book Nepal's National Defensive Strategy and Nepal-China Relation.

Although high-level visit by a Chinese leader to Nepal was postponed in the last minute, it is expected to be rescheduled for March just after the visit of the U.S. president George Bush to

India who is coming in his important mission to deal with the pressing problems of the region.

As the president is not visiting neighboring country Nepal, some high level decisions seem to have been taken by the State Department regarding Nepal's problem. Coinciding with that, the visit of Antony Stokes, the head of South Asian Group at the British Foreign and Commonwealth Office, was also significant.

**The US and the UK:**

**A Well Meaning Diplomacy**

Both America and Britain have common approach to deal with global terrorism. American and British support to democracy and fighting terrorism is common strategy all over the world.

Till now they seem to have slightly different policies regarding Nepal as were expressed by respective ambassadors. The US ambassador Moriarty remains always consistent in persuading both the monarch and constitutional forces to reconcile and work for restoration of democratic process. The present British ambassador Keith Bloomfield - whose tough but sincere advice - invited a lot of criticism from Royalist camp. As an expert on counter terrorism, his role has been portrayed as a very complicated one.

Interestingly, both the countries almost simultaneously have declared the similar policy towards Nepal. They have expressed that peace must be restored first. The King and the forces abiding to the constitution must come to reconciliation and work together. They unequivocally expressed serious reservations about the Delhi declaration between the Maoist and the seven parties.

The message was clear, between the lines, that both the countries can put any kind of pressure upon the King to restore

the democratic process and allow the constitutional forces assume their legitimate position. It is also clear that these two countries will never support the unnatural alliance of the political parties and the Maoists. The message of the recent statement seem to be that if there is a polarization between the King and army and the Maoists and seven agitating parties, these countries could not let Nepal collapse and submit to violence and anarchy.

always, the US ambassador is also supporting despotic monarch," said Lilamani Pokharel, vice president of United People's Front, a radical communist outfit. "American ambassador does not understand the contents and words of our agreement."

However, the leadership in India has divided opinion regarding its relations with neighbor. The old hawkish security strategists have not yet come out of the lopsided traditional strategy. There are

many persons including Indian prime minister Dr. Manmohan Singh and P. Chidambaram (the Finance Minister) who carry a great hope in leading India towards faster development but the same is not with all others who are decisive in the inner politics.

This inner contradiction is too high to expect the desired role from the government in India. Perhaps, this was the reason west could not have come forward to speak so much so clearly about Nepal's problem. The message is not alone for Nepal's internal forces but it is for Nepal's neighbors, too. Peace in Nepal is related with the peace in the region as Nepal lies between two big military powers.

"The concerns expressed in Nepal reflects the gravity of the problems which both Washington and London seem to have realized. China seems to be very alert and watchful of the whole development in Nepal. The postponement of Chinese deputy prime minister's visit is not for nothing. Perhaps, China

wants to observe the American president's visit to Indian and its outcome before it speaks anything about Nepal," said the political analyst. "Forces within Nepal, however, have very narrow outlook to analyze Nepal's problems, which have bigger dimensions in which not only two immediate neighbors but these two distant but influential countries have also significant role in ensuing situation." ■



**Bloomfield:** Tough but friendly

But their sincere concern has invited a lot of scathing criticisms from various quarters. "The recent statements given by western countries including the US and England opposing the seven parties and Maoists understanding are aimed at strengthening the hands of despotic monarchy. One of the aims of our understanding is to bring the peace in the country through holding the elections of constituent assembly. As

## ECONOMY

# Struck By Inflation

The rapidly growing rate of inflation threatens to upset the macro-economic stability that had been largely maintained in the last five years despite the escalating conflict and deepening political instability. At a time when the economic growth rate has fallen sharply, the growing inflation threatens to hit at the economic fundamentals. The repeated hike in the price of petroleum products and increase in the rate of Value Added Tax have been primarily responsible for the sudden northward movements of the inflation rate. Already the central bank had estimated over 7 percent inflation rate this fiscal year. Now with the latest increase in price of fuel, inflation could further increase hitting the poorer sections of Nepalese society in the worst manner. For a common man the rising inflation coupled with static growth means that his earnings will not increase even as the market prices will rise – a recipe for larger economic disaster

By SANJAYA DHAKAL

**A**fter seemingly maintaining macro-economic stability despite huge challenges posed to the economy by violence and instability, the past few months have indicated a scary future. Coming at a worst time possible, the spiraling rate of inflation threatens to upset the fragile economic stability.

The fear of double-digit inflation coupled with stagnant growth is now real. The latest economic report – of the first five months of current fiscal year –

released by the central bank states that the rate of inflation (National Consumer Price Index) has increased by 8.8 percent. Likewise, the National Wholesale Price Index has increased by 12.9 percent. These two rates stood at around 4 percent a year ago.

The Nepal Rastra Bank (NRB) officials have already predicted over 7 percent inflation rate in the current fiscal year. This could well increase given the recent hike in the price of petroleum products. The NRB officials have predicted that the recent increase in price

of petroleum products would increase inflation by 0.7-1.82 percent more.

News reports have quoted Keshav Acharya, chief of the research department at NRB, as saying that the increase in the price of kerosene would trigger the rise in price of consumer goods by 1.81 percent. The increase in the price of kerosene and petrol would add 0.88 percent and that of diesel 1.83 percent to inflation.

Therefore, even without further increases in fuel price, this fiscal year is now certain to witness over 8 percent



A shopkeeper: Market is down

inflation on average – which is the highest inflation in the last seven years.

This time, however, the increase in inflation has more scary consequences. As the government's expenditure is growing without corresponding growth in revenue and as the economic growth is slated to remain largely static, the spiraling inflation could eat into the vitals of economics.

For a common man this means that while his earnings are not going to increase at all, the market prices will soar posing him with sundry difficulties in maintaining his family budget. Combine this with the deteriorating security situations, calls for strikes and blockades and live possibility of further rise in fuel price and you will end up with one hapless consumer wrecked by frustrations.

#### Doom Sayers

Some prophetic economists have already predicted dire consequences forecasting that the country could

become bankrupt within three months. Dr. Raghav Dhoj Pant, executive director of Institute for Development Studies (IfDS), raised hackles a few weeks ago by making the grim prophesy.

In the first week of February Dr. Pant warned "the current government and political parties of 'stagflation' which is already bleeding the economy, due primarily to unresolved political problems and lack of initiatives by the Nepal Rastra Bank (NRB), Ministry of Finance (MoF) and National Planning Commission (NPC)." He stated that while per capita income is stagnant, prices are rising and the balance of payment problem with major trading partners is deteriorating. He warned that the economy 'might collapse abruptly.

Even though there may not be many supporters of Dr. Pant's deadline of economic collapse, most agree with the problem he has pointed at.

"The growth of inflation is a serious problem especially when the earnings of people have not increased," said Dr. Puspa Raj Rajkarnicar, director of Institute for Policy Research and Development (IPRAD). "However, I am not sure that the government will just collapse due to inflation only."

According to Dr. Rajkarnicar, if the government approaches bankruptcy it could always fall back on Nepal Rastra Bank (NRB) for overdraft. "Although there is a strict limit of overdraft that the government may borrow – not more than one percent of GDP – if things turn really nasty, the government will borrow more. So, I do not see the economy collapsing even though the problems are grave," he added. In the early 1990s, too, Nepal had suffered from high inflation that reached even 21 percent. "But the handsome growth rate then had upset

the negative impacts to a large extent," said Dr. Rajkarnicar.

Even Dr. Rajkarnicar, however, sees the coming days as being further problematic for Nepali economy. "The latest fuel price hike, the possibilities of further hike and excessive borrowing from NRB could all force inflation to rise further," he predicts.

The government, on the other hand, does not seem much worried about the inflation. Immediately after Dr. Pant came out with his prophecy, Minister of State for Finance Dr. Roop Jyoti blasted his report. "It is confusing, sensational, politically motivated and totally wrong," said Dr. Jyoti. He went on to clarify that the revenue collection, remittances, government expenditure, foreign exchange reserve and inflation were all under control.

"In the first six months of the current fiscal year, the government collected revenue totaling over Rs 31 billion, which is more by Rs 1.75 billion than the amount collected during same period previous year. Likewise, the central bank has Rs 146 billion worth of foreign exchange reserve," said Dr. Roop Jyoti.

#### Economic Slide

The report by the central bank on the state of Nepali economy during the first five months of the current fiscal year has indicated alarming situation not only in inflation but also in the government finance sector where the fiscal deficit is growing. Excepting the existence of Rs 2.65 billion in the accounts of local bodies, the fiscal deficit touches 10.5 percent of the total government expenditure.

The freeze in capital expenditures have led to significant rise in fiscal deficit, the bank stated. The total government expenditure has increased by 12.8 percent – compared to less than 10 percent during the same period previous year. However, the state of revenue deficit (total revenue minus current expenditure and principle payment) has slightly improved. In the review period, the revenue deficit reached 5.7 percent compared to 7.6 percent last year. The revenue mobilization has increased by 9.8 percent during the period – which is still less than the target of over 13 percent growth.

In foreign trade, the growth in exports have declined while imports have increased. Total exports have grown by 6.8 percent in the review period – compared to 13.2 percent growth in the same period previous year. On the other hand, imports have continued to grow. Compared to 10.4 percent growth previous year, this year has seen imports grow by 14.8 percent. Trade deficit has expanded by 20.2 percent. The total foreign exchange reserve is Rs 140 billion – more by 7.8 percent compared to last year.

“Another disturbing trend is that in the last few years, our exports have begun to re-concentrate in India,” said Navin Dahal, executive director of South

billion revenue was collected – which is 5 percent higher than the last year’s collection of Rs 29.83 billion during the same period, but is still short of the target of Rs 34.95 billion. The growth rate of revenue at 5.8 percent is lesser than the growth rate of current expenditure, which is growing by 15 percent.

The Ministry of Finance report adds that when the inflation rate of 8 percent is adjusted, the net revenue growth rate becomes negative. The Value Added Tax (VAT) collection did increase by 23 percent during the period. However, the VAT collection is less than the increase in the VAT rate, which was hiked by 30 percent (from existing 10 to 13 percent). Even the collection of custom revenue

4.5 percent even in a normal case scenario, according to a fresh yearly revised estimates by the CBS. During the period, agricultural growth rate stood at only 2.97 percent compared to 3.86 percent previous year. Likewise, non-agricultural sector grew by 2.07 percent during to the period compared to 3.42 percent a year ago.

In the decade of 1990s, Nepal’s annual economic growth averaged around a healthy 4.9 percent but the escalating insurgency saw this drop to an average of 1.9 percent between 2002 and 2004. “Given that this conflict is persisting, and that there are chances it might actually deteriorate, Nepal could lose significantly more than two percentage points of GDP per annum,” said Sultan Hafeez Rahman, representative of Asian Development Bank (ADB) to Nepal recently.

With 31 percent of the population living below absolute poverty line and with an average income of just less than \$300 a year, the troubled Himalayan Kingdom cannot afford this loss. Nepal needs to get economic growth and poverty eradication back on track, and this cannot happen without peace, Rahman told AFP news agency recently. The solution is simple, according to Rahman, a credible peace dialogue would restore investor confidence and boost markets. “Once this happens, I think that economic activity will tick back. In a very short period of time it can reach growth rates of six percent or more and if they are serious, over a time horizon of maybe 15 years, they can do as well in per capita terms as any South Asian country.”

Dr. Rajkarnicar also agrees with his viewpoints. “The economic problems of the country has solutions in the resolution of political problem. Once we have peace and stability, the tourism and hydro resources alone will help us get back on track,” he added.

As such, the economic problems of the country may not be solved soon as the political situation appears to be deteriorating. The economy, however, provides one more reason why the legitimate political actors of this country must reconcile sooner than later if only to provide a succor to the teeming millions of poor people. ■



**Transportation:** Fare is likely to increase

Asia Watch on Trade, Economics and Environment (SAWTEE). Despite attempts to diversify Nepal’s foreign trade, almost two-third (66 percent) of the country’s trade is still conducted with India.

In the revenue collection front, too, the progress has been unsatisfactory as pointed by the half-yearly revenue analysis by the Ministry of Finance. Due to internal conflict and instability, the collection of revenue has been short of target by ten percent. In the first six months of the current fiscal year, Rs 31.58

could be affected this year as the government has cut down tariff rates.

Recent report by the Central Bureau of Statistics (CBS) has showed that Nepal’s GDP growth rate in the fiscal year 2004/05 has gone down by 1.21 percent compared to previous fiscal year, thanks to weak agricultural growth rate, low capital formation and dismal performance of non-agricultural sectors. In the fiscal year 2004/05, the GDP growth rate remained at 2.33 percent compared to 3.54 percent in the last fiscal year, which is lower than the government’s target of



## FILM

# Movie With A Difference

Dealing with contemporary issue of social conflict, "Nepal" is a movie with a number of unique features

By A CORRESPONDENT

In recent years there have been growing trend of Nepali filmmakers to visit abroad to show their films to the Nepali diaspora spread across the globe. The United States, with a handsome number of Nepali inhabitants, has been their preferred destination. The working Nepalis in the US are fast becoming a force to reckon with. As students, workers and businessmen, Nepalis in USA have been able to carve a separate niche – a Nepal out of Nepal.

Naturally, products like music and film do now have markets outside the geographical frontiers. The large community of Nepalis workers in the Gulf, Malaysia, the US, and the European countries have the willingness and capacity to indulge in entertainment products from their home country.

On this backdrop it is satisfactory that a film is now being made that not only targets the domestic audience but

the overseas audience, particularly in the US, as well. "Nepal – the Himalayan Kingdom" is a film dealing with the most contemporary of issues – the social conflict haunting the nation.

The shooting of the film has also been done in the US. Three producers – the US-based Nepali actor Sudhanshu Joshi, Nirmal Sharma and Rajan Shahi – have joined hands in producing this new venture.

"We have been very meticulous in choosing the script. Our only intention is to provide a movie with a social message – that we all must work together for the peace and prosperity of our nation," said Nirmal

Sharma, who has produced a number of films like Angarakshak in the past.

The film shows a young Nepali who after having lived for years in the US returns to his home only to find everything shattered and destroyed. Frustrated at seeing the mindless destruction, the young man decides to return to US. But his conscience doesn't let him off so easily. The sense of patriotism and duty towards his community is so overwhelming that he returns back from the airport with the singular intention of serving his community.

"Before choosing the theme of film, we had done interactions in both Nepal and



Joshi flanked by Luitel (right) and Mainali



A dancing sequence

the US. Common people, professors, historians, politicians and businessmen were invited to such interactions. Based on their advice, the story was chosen," said Sharma.

The film is a multi-starrer one. It has Rajesh Hamal, Sudhansu Joshi, Sanchita Luitel, Sajja Mainali, Dhiren Shakya acting in leading characters.

There are five script-writers: Suraj Subba, Maunta Shrestha, Kishore Dhakal, Sanu Shakya and Dayaram Dahal. The film is directed by Dahal. "We are preparing to release it by the end of March this year," said Sharma.

As the film deals with the present social conflict, the makers have had to tackle a wide array of subjects. "We have paid equal attention to technical aspect, location selection for shooting and outfits," adds Sharma. ■

# "We Want To Prevent Nepal From Becoming A Crazy Totalitarian State."

—JAMES FRANCIS MORIARTY

*The US ambassador to Nepal, JAMES MORIARTY, is in the limelight over his speech last week, in which he warned of a Maoist takeover unless the King reached out to the parties for reconciliation soon. He condemned the violent Maoists for spreading "terror", the undemocratic royal regime leading "an unsuccessful authoritarian rule", and the shaky seven-party alliance for entering into an "untenable" agreement with the Maoists. Even as his strong-worded emotional speech sparked off equally strong and emotional reactions, the American envoy spoke to BBC correspondent, SUSHIL SHARMA. Excerpts of the interview that was broadcast last Sunday:*

**So, there have been strong reactions to your speech last week.**

(As far as Maoists are concerned) Their actions and the words of Mr. Prachanda and Baburam Bhattarai require us to be harsh on the Maoists. I would hope that the people will think about what the Maoists are doing. You have seen two of your ancient historic cities had their centres (Dhankuta and Tansen) destroyed and innocent ordinary people murdered by the Maoists. For what reasons? Not for military advantage, but to spread terror.

**In the 12-point accord with the parties, the Maoists have pledged to return to peaceful political mainstream. You still criticize the accord.**

I did not say anything about the 12-point agreement until after the Maoists broke their ceasefire and began saying what their true intentions are and began by showing by their actions what their true intentions are. Again if you talk about their being willing to lay down their weapons, Mr. Prachanda has made it very clear that they would put down their arms for a while under the supervision of not foreign troops but some sort of presumably unarmed individuals and they would keep their weapons and then they would form the core of the new national army. He said very specifically that the RNA would be disbanded; the Maoists and their people's liberation army would become the core of the new army. Under the conditions, anybody who thinks you could have free and fair elections to a constituent assembly is being very optimistic.

**The Maoists have talked about letting the people decide their fate through a peaceful and democratic means, i. e., the constituent assembly. What's wrong with that?**

On one hand, Mr. Prachanda says, he wants free and fair elections and on the other hand, he says very clearly that 'we are going to put aside our weapons for a while and then we are going to get them back and we are going to form a new national army.'

**Then, were the political parties that foolish to enter into an accord with the Maoists?**

I think the parties entered into the 12-point agreement with good intent. I mean there really is a desire to see whether the Maoists can be brought into the political mainstream. Everybody can praise that. But unfortunately, we have seen since the end of ceasefire that the Maoists have no intention of coming into the political mainstream. You have seen Mr. Prachanda suggest repeatedly that the political parties join the Maoists in an underground parallel government and set up an underground parallel army. He is telling the parties: 'give up your peaceful ways, join us in violent opposition against the King and the current state.' They want to draw the political parties to their agenda of violence.

**The Maoists may have changed. Having failed over the past ten years, they may have realized that capturing Kathmandu through military means is impossible. Yet, you do not trust them.**

If you saw Mr. Prachanda's interview with the BBC, you saw him repeatedly say that 'yes, we recognize that we can not win solely by military means'. The interviewer gave him several chances to say that he did not plan to use military means to come to Kathmandu. Mr. Prachanda continued to say, 'we will use military means also to come to Kathmandu.' So, I just don't see why anybody would conclude that the Maoists have decided at this point of time to abandon violence. Baburam Bhattarai gave five interviews where he kept saying there is no way you can separate armed and unarmed struggle.

**They may have some compulsions in saying so. Like, they may have to convince the trained armed cadres who had been led to believe all these years that capturing Kathmandu by force was possible.**

Ten years ago, the Maoists took up their arms against the struggling democracy. Ten years later, they have made huge strides. The system, I keep on repeating, is very close to a collapse. If the parties and the palace continue to pull apart, the whole thing could just collapse. So, why under those conditions would the Maoists decide that they need to abandon their goals?

**You keep on stressing on reconciliation between the King and the parties. How do you achieve this which remains elusive?**

The definition is easy. It means, both sides have to compromise.

**How can there be a compromise when the King, who has assumed absolute powers, continues to ignore the call for reconciliation? What option is left to the parties under the conditions?**

I don't think, the option left for the parties is to join the Maoists in violence. The parties should push and push and push (the palace). The outside world should push and push and push. The King needs to reconcile. The King needs to reach out.

*"The system, I keep on repeating, is very close to a collapse. If the parties and the palace continue to pull apart, the whole thing could just collapse. So, why under those conditions would the Maoists decide that they need to abandon their goals?"*



**Then what is the solution of the problem? Can you find a solution by excluding the Maoists who have become a major force by now?**

Yeah, the Maoists have become a major force and they have to be dealt with, rather than accommodate. What do the Maoists want? They want power. They want to turn Nepal into a totalitarian state. How do you accommodate that? Basically, the only way you accommodate them is by making the Maoists realize that they have no hope of winning. Frankly, they are winning right now. Having a strategic concept, a plan to deal with the Maoists, is to convince them that they

are not winning. That, unfortunately, is not easy. There is no sober bullet here. The Maoists are not going to come into the negotiations tomorrow and say 'we do not want power any more.' They have to realize that they are losing the countryside. They control almost all countryside now. Why would they give that up for being the fifth or sixth largest party in elections?

**How do you make the Maoists give up their weapons?**

By convincing them that they are not winning and then negotiations can convince them that they will have to disarm.

**The Maoists have already pledged to pursue a peaceful means and multi party competition, under the accord with the parties. Haven't they?**

There is fear in villages. That fear is not going to disappear because the Maoists put their weapons for a week under the control of some unarmed outside observers. That fear will remain there. The Maoists are confident of that. That is why they do not talk about genuinely giving up their weapons. They talk about keeping their weapons, turning them into national weapons. They are forming the core of the national army. That is their plan.

**A senior UML leader, Bamdev Gautam, in a recent newspaper article said that the parties would get the Maoists lay down their arms if the US can get the King agree on a constituent assembly.**

Maybe he knows something that I don't. I am obviously an outsider here, but I do not see a logical connection there: that once there is a constituent assembly, the UML leader can convince the Maoists to give up their arms. The fact is: everyday, Mr. Prachanda is taking the opportunity to tell the world that he is going to keep the weapons. He says, 'after the constituent assembly, we are going to have our weapons, the RNA is going to be disbanded and we will talk about the future of Nepal.'

**India and the European Union appeared to be positive on the Maoist ceasefire and the constituent assembly. You have been isolated on this count.**

**In a recent interview, the Maoist leader, Prachanda, said that the rebels would have captured Kathmandu long time ago, had the US not backed the King and the army. Any comment?**

You probably have to ask Prachanda exactly what he means by that. I will be honest and admit that we have not given as much security assistance in the past as India has. And obviously, we had our lethal security assistance frozen since February 1 last year.

**Prachanda also said that the Americans are shedding crocodiles' tears for democracy in Nepal. Instead, he said that the US pacific commander, Admiral Fallon, during a recent visit to Nepal, advised the King to bolster the ranger battalion.**

It is interesting. I did not see Mr. Prachanda in the meeting between the Admiral and the King. I was there and I don't recall that having been said.

**What exactly is the interest of the US in Nepal, then?**

The main interest is that we don't want to see Nepal explode, turning into some sort of a crazy totalitarian state, exporting revolution. That's it. We want to see a peaceful, prosperous and democratic Nepal. That is what we want. Obviously right now, the main concern is that the state would fail, the Maoists will take over and Nepal would end up destabilizing the entire region. Our interest is to prevent that.

**Some including the Maoists suspect that the US's interest here is to strengthen the hands of the King, take him into confidence and use Nepal as a base to encircle an emerging world power, China, and keep watch on another, India.**

Those are ludicrous. They do not deserve serious answers.

**Are you aware that you have often been accused of exaggerating the Maoist threat and spreading panic?**

People here ignore the miseries in the countryside, because it is an inconvenient fact. Nepal is a mess. Am I the one who is overstating the case or perhaps are there lots of people understating it?

*"We want to see a peaceful, prosperous and democratic Nepal. That is what we want. Obviously right now, the main concern is that the state would fail, the Maoists will take over and Nepal would end up destabilizing the entire region. Our interest is to prevent that."*

*"I am probably the only person in this country who is most worried about the way things are, except for the people who feel the horror of insurgency immediately. I am not going to divulge the precise contents of my conversations with the King, but I do think that he is worried about the country and does know that things have to change and that the country is not on the right course."*

I do not feel isolated at all. In my conversations with the Indians, the Europeans, they all stress that giving up the weapons has to be the part of the settlement. It is not that you are going to put the arms under the supervision and you are going to grab them back later on which is what Prachanda is saying. The Indians, the Europeans all join me in saying, 'no, once there is a movement towards constituent assembly, you do not get the weapons back, you don't get to terrorize the villagers with threats.'

**That is exactly what the parties are also saying, that they are trying to persuade the Maoists to give up the arms.**

I understand that Nepalese people are desperate for peace. Everybody wants it to be an easy way-out. But the people should look at the insurgency, look at its leadership, what it says and what insurgency does before they come to the conclusion that the Maoists are desperate for peace and can be brought easily into the mainstream. There is no sober bullet, there is no easy way.

**You continue on stress on reconciliation between the King and the parties. They were together until the royal takeover. But the Maoists got emboldened instead of being weakened despite the King and the parties being together in the past.**

Until 2006, no government – no matter who was composed of what parties or the King – had any coherent policy to address the insurgency. It is not that while we hope for peace talks, they will surrender. Why did not you have peace before 2002? Because Maoists did not want peace. Because they thought they were winning. They were making progress and that they had the hopes of ultimately taking over the country. In 2006, that is still the case.

**What is the solution, then?**

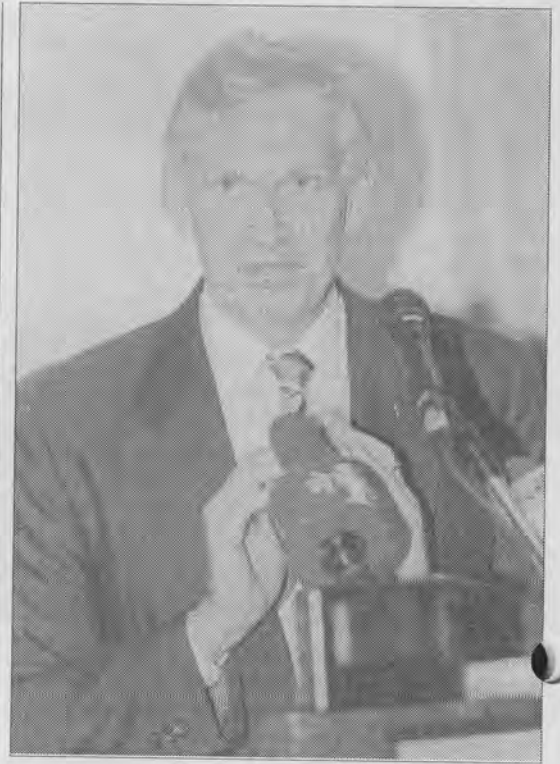
The big final step is to provide the people in the countryside a feeling of security. The next step is to provide government services to those people. Another step, you have to bring in economic development, social reforms. There is no easy way out.

**You said that the Europeans and the Indians are with you on the question of the need for the Maoists to disarm. But Prachanda is on record of having said that the 12-point agreement with the parties had been reached with the knowledge of the Indian authorities. How do you explain it?**

You will have to ask the Indian government about the precise explanation, but getting back to what I said earlier, the 12-point agreement, I think, was a good faith effort by the parties to see whether they can bring the Maoists into the mainstream. All I am saying is that, that has not worked.

**Is there still any chance of it working? In your recent speech, you also mentioned that the accord had some positive elements.**

It will work only if the palace and the parties actually get together. If there is a coherent plan, if the Maoists begin to see their control over the countryside weakening, then only the good parts of the 12-point agreement can work, i.e., the Maoist can be brought into the mainstream.



**Are you suggesting that the King and the parties should come together to step up the armed offensive against the rebels?**

No, I am not calling for a huge military offensive. What I am calling for is a coherent strategy: make the people in the countryside safer, make them feel like they have a stake in continuing progress.

**How do you convince the King?**

Everybody - external powers or the Nepalese people - needs to continue to push the palace in the right direction.

**Do you think that a coalition government comprising of the seven agitating parties could be a positive step?**

Sure, it could be a step forward. I can not give a precise formula here. Ultimately, it is for the people of Nepal, the King and the parties to decide.

**I understand that you meet the king from time to time. Did you find him serious about the crisis that Nepal is currently in?**

I am probably the only person in this country who is most worried about the way things are, except for the people who feel the horror of insurgency immediately. I am not going to divulge the precise contents of my conversations with the King, but I do think that he is worried about the country and does know that things have to change and that the country is not on the right course.

**Did you have the feeling that he has some compulsions — as head of state and the government?**

I am not going to comment on that. I am not going to try to look into his mind. That is for him to decide.

**The Maoists hate you, the King keeps on ignoring your advice, now even the political parties have started to find fault with you.**

I guess, that means I must be doing something right. (Laughs.)

# “Moriarty’s Statement Endangered the Peace”

— PRAKASH MAN SINGH

**PRAKASH MAN SINGH**, General Secretary of Nepali Congress (Democratic), has termed the recent remarks of US ambassador James A Moriarty as against the peace process and restoration of Loktantra (Democracy). Addressing a program in the Reporter’s Club, Singh urged the US and other western democracies to continue to support for their genuine cause.

## On Moriarty’s Remarks on Reconciliation

I don’t understand reason behind US ambassador Moriarty’s remarks. How can we reconcile with an autocrat King who dismissed elected government and all party government in the past putting us behind bar under political charges. American ambassador must press King Gyanendra to give up his authority and hold on power. If Moriarty presses the King to agree on Constituent Assembly, then the process of negotiations will begin. We know that the US has been supporting us to restore the democracy but Moriarty’s recent statement strengthens King’s autocratic rule jeopardizing seven party-Maoists alliance aimed at restoring long lasting peace in the country.

## On Seven Parties and Maoist Alliance

Since Maoist leaders have already agreed that they will give up their arms, there is nothing to fear about their intentions. Seven political parties have made hard efforts to bring the Maoists to the peaceful process. I don’t understand why American ambassador Moriarty has such distrust on the Maoist leadership. If he gives benefit of doubt to the King, why the same cannot apply to Maoists. Although I was in prison when seven parties and

Maoists signed the understanding, twelve-point agreement was one of the milestones to bring peace and normalcy in the country.

## On Political Process

The seven parties Maoists agreement has clearly mentioned that their agreement is directed against the autocratic regime of King Gyanendra. I am certain that there is no other way than to have joint front with Maoists to pull

of democracy. The interference by the US ambassador on the peace process will further complicate the situation. We need the support of US to end violence and implement the agreement but not to break it. When Maoists have reiterated strong commitment towards the peace and multi-party democracy, there is no reason to suspect them.

## On Maoist Violence

We are not supporting the violence of Maoists. We have called Maoists to maintain restraint and they have been doing so. Had King’s government reciprocated unilateral cease-fire of the Maoists, the country would not have to face the present situation. I humbly request US ambassador Moriarty to convince the King to give up his absolute power to the people and agree to the demand of constituent assembly. We have already listened enough lectures. Moriarty must understand that the political parties have sided with the Maoists to transform autocratic monarchy. The western countries do not understand the reality of Nepal’s situation where monarchy has always betrayed democratic forces appointing the puppet government whenever the democratic forces are weakened. In the present situation, autocratic



monarchy is more dangerous than the Maoists. The US ambassador Moriarty must understand this before teaching democratic forces about the need for reconciliation with the King. How can we reconcile with the King when he still puts hundreds of workers and political leaders in house arrest holding the bogus elections. Does Moriarty want us to support the despotic king and his rule? ■

down the autocratic regime. The US ambassador Moriarty must read the words and contents of Maoists and seven parties alliance.

## Commitment to the Agreement

Our party is fully committed to the Maoists-seven parties agreement. We believe that only through the implementation of the agreement the country will have peace and restoration

down the autocratic regime. The US ambassador Moriarty must read the words and contents of Maoists and seven parties alliance.

## POLITICS

# The Road To Absurdity

Despite the call by the King for dialogue, political parties seem to be heading towards absurdity by putting unnecessary conditions

By KESHAB POUDEL

**“W**e will not compromise with the King as long as he does not agree to hold the elections for Constituent Assembly,” said Sushil Koirala, vice president of Nepali Congress, the party that has been struggling to reactive the constitution.

Leader of CPN-UML Pradeep Nepal, too, has similar point of view. “The King’s message has nothing substantial to start negotiations. King Gyanendra just wants to show to the world community that he is sincere to negotiate but in practice he is not,” echoed Pradeep Nepal, powerful politburo member of CPN-UML.

Although all the political problems appear because of absence of elected parliament, nobody seems to worry about it - and political leaders also do not have any comment on whether they are committed to hold the elections or not.

After listing the response of political leaders, any watchful persons may say that the debate going on at present in the political meetings is getting more and more innovative and populist.

One may conclude that they are treading the road of absurdity. There is enough anger in their speech against the arbitrary rule by the King in the absence of elected parliament but they themselves are helping to prolong the situation by not underscoring the need for credible elections to hand over the power to the people.

The King, in his message on national democracy day, called on the political parties to start meaningful dialogue to initiate the process to bring the constitution right in the track. Although the King’s message

can be interpreted differently by different people, there are enough indications of the will to start the negotiations.

“Despite so many ifs and buts, the King’s message has some positive directions to resume dialogue,” said Speaker of House of Representative Taranath Ranabhat.

Contents are there but the language could have been more flexible and persuasive. One has to understand the position of the state authority who needs to speak in the assertive language to boost up the morale of the services. The current political problems and crises can end as soon as the elections for the parliament are held after which politicians can talk about ways to curtail the power of the King.

The King cannot remain silent spectator in this vacuum in absence of parliament to prevent the state from collapsing. Situations have compelled him to fill up the vacuum in the absence of the elected house. In a way, King Gyanendra has to resort to his traditional Royal prerogative which the present constitution does not accept. That way



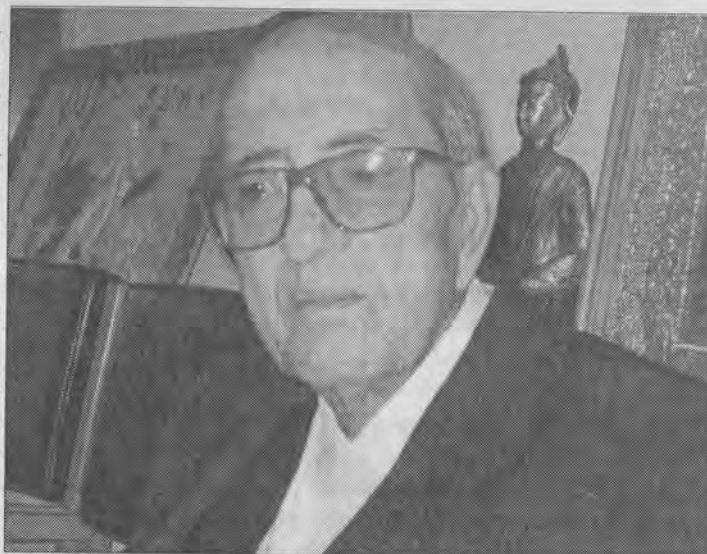
King Gyanendra: New Gesture

he is transgressing the constitution by the compulsion of the situation, thereby, casting the image of ‘reluctant despot’ - and the credit goes to imaginative and innovative city-centered leaders who oppose elections through which the King’s power can be curtailed.

Extremists in both the sides are helping to prolong non-elected persons in the government. Those in the opposition side who are pressing for the constituent assembly and Loktantra and inclusive democracy are supporting the argument put by those extremists on the King’s side who are preaching that power should not be vested in two places.

The populists, in the competition for populism, with one against another politicians of the alliance do not bother what purpose they are serving by such jargons like Loktantra, constituent assembly and inclusive democracy.

The moderate-leaning Nepali Congress seems to be learning the lessons of extreme utterances from their communist allies. They have stretched themselves to outdo extremists in their utterances. They seem to be a competition to outdo each other in the race towards absurdity.



Girija Prasad Koirala: Tight-lipped

# Pakistan's Foreign Policy: Contribution To Regional Stability

By SOHAIL AMIN

Pakistan of today and tomorrow is not the Pakistan of yesterday. The Pakistan of today is a strong and vibrant nation of hundred and fifty million people. We are committed to a democratic, moderate, tolerant, progressive Islamic polity. Our country is richly endowed with human and natural resources. It is strategically located at the cross-roads of three vital regions of the world – South Asia, Central Asia and West Asia. We seek friendship and cooperation with the international community and especially with our neighbors. We are committed to a secure and stable world order based on freedom justice and equality. We are committed to seeking an end to poverty and the promotion of socio-economic development across the world. For these reasons, Pakistan is today an anchor for regional peace and security.

We have pursued a comprehensive and carefully calibrated policy for national reform and revival based on six broad elements which I believe are the essential ingredients of successful state craft. These elements are economic sovereignty, stable political process, good governance, internal security, credible defense and effective diplomacy.

Determined and sustained implementation of these elements of state craft has ensured a dramatic transformation in Pakistan over the last half decade. We have been able to reform, restructure and revive our economy; ensure the devolution of power to the grass-roots level; provide transparent and responsible governance including a vibrant opposition and a free media; ensure security and stability through enforcement of the rule of law; empower women and minorities and improve the delivery of social sector services, especially education and health.

In the economic field, we have based our reforms on the principles of deregulation, liberalization and privatization. As a result of these efforts, Pakistan is today on a high growth trajectory. We have achieved a growth rate of 8.4 percent, second only to China in Asia. Our agricultural, industrial and services sectors are growing rapidly. Foreign exchange reserves are at an all time high. Growth of the economy is attracting unprecedented levels of domestic and foreign investment. Exports are steadily increasing and diversifying into new and more areas. To sustain this momentum, we are now implementing a second generation of broad ranging structural reforms, especially in the areas of institution building, infrastructure development and investment in human capital.

As the same time, we are proceeding with the consolidation of our democratic institutions. The second local bodies' elections were held in August last year. These will be followed by provincial and national level elections in 2007. We are confident that with unflinching commitment to the democratic process, we shall be able to live up to the hopes and aspirations of our people.

Pakistan's capacity to play an effective role towards promoting regional peace and security has been enhanced by closer relations that it maintains with the major world powers. China and Pakistan have maintained extremely close and friendly relations for decades and are strategic partners for the maintenance of peace and stability in the region. Recently, the two countries signed an agreement on friendship and Cooperation which shall not only enhance bilateral relations in all fields but will also be a factor for greater regional cooperation. Pakistan's relations with the European Union, as well as Russia, Britain, France and Japan are steadily growing. Apart from security cooperation, we are building strong economic and trade relationships as well as developing linkages in the educational, technological and scientific spheres. Pakistan's location at the hub of Central Asia, South Asia and West Asia, ensures multiple advantages. It provides the shortest access to the sea for all the landlocked countries of Central Asia as well as western China. It is also fast emerging as the bridgehead for multiple corridors of cooperation between all three regions involving energy, trade, transportation and tourism.

Peace and security in our region has a major influence on global peace as South Asia is home to a fifth of humanity. If the countries of the region can turn away from tension and conflict and resolve the long-standing dispute of Kashmir, South Asia can be the focus of the next Asian economic miracle.

The Kashmir dispute has remained at the heart of tensions between Pakistan and India ever since our independence in 1947. For us, this is not just an issue of territory but of principle – the democratic principle of self determination which is the inalienable right of the Kashmiri people. Pakistan has always extended its moral, political and diplomatic support for a just

and peaceful solution of the Jammu and Kashmir dispute in accordance with the relevant UN resolutions and aspirations of the Kashmiris. We are engaged in a sincere and purposeful dialogue with India to resolve all outstanding issues for bold decisions and 'out of box' thinking to resolve this long outstanding dispute. Given sincerity, courage and flexibility, we can work for a solution of the Kashmir dispute that is acceptable to all parties especially the Kashmiri people. Pakistan is prepared to show flexibility provided there is reciprocity from the other side.

We in Pakistan felt deeply about the travails and sufferings of the Kashmiri people. We have been calling on India to improve the human rights situation in Indian Occupied Kashmir. We have been pressing India to release all political prisoners without further delay. We have always emphasized the need to end violence and human right abuses in Indian Held Kashmir. In this context, president General Pervez Musharraf's proposal of demilitarization from population centers is aimed at raising the comfort level of the Kashmiris. An enabling environment is necessary for the success of the peace process. Rigidity and violence must give way to flexibility and positive engagement. We have taken several initiatives to ameliorate the hardships of the Kashmiri people. The composite dialogue initiated by Pakistan and India encompasses all issues, including Kashmir. The CBMs have improved the atmospherics. But progress on the substantive issues, especially Kashmir is yet to be made. Progress on Kashmir must be in tandem with progress on all other issues. Meaningful progress towards a final settlement of Jammu and Kashmir, in accordance with the wishes of the Kashmiri people, is essential for the sustainability and eventual success of the process. We are convinced that a solution can be found with determination, vision, flexibility and courage. Accordingly, we have made several proposals to India and we await their positive response. Pakistan will continue to be engaged in the composite dialogue process with a view to making it substantive, meaningful and result-oriented.

The tragedy caused by the devastating October 2005 earthquake has further strengthened the traditional bonds of affinity between Pakistanis and Kashmiris. The support provided by the people of Pakistan to the Kashmiri brothers and sisters amply demonstrates geographical, cultural and religious affinities between them. This natural calamity has only reinforced the fact that Pakistanis and Kashmiris are inseparable under all circumstances. We will remain steadfast in our resolve to support our Kashmiri brothers and sisters in their just struggle for the right of self-determination.

I would describe the state of relation between Pakistan and Nepal as excellent. We are enjoying an everlasting relationship based on the principles of respecting each other's unity, sovereignty and territorial integrity and non-interference in other's internal affairs. These principles will continue to guide our relations.

There is a complete identity of views on regional and international issues with Nepal and there is no divergence or disagreement between the two countries at all. During 2005, several positive developments in augmenting our relations took place. The first ever bilateral visit of the Foreign Minister of Nepal to Pakistan in October last year gave a tremendous boost to our bilateral relations. Earlier, the meetings of the Joint Economic Commission and the Joint Business Council had taken place. Several Ministerial visits took place in the context of SAARC meetings and other multilateral events. The Finance Minister of Nepal attended the international donor's conference held in Islamabad during November.

Our relationship is based on shared desire to expand mutually beneficial cooperation. Several agreements signed between the two countries in the fields of economy, trade, culture, agricultural research, air services etc continue to guide our cooperative relationship. Other significant agreements are the establishment of Joint Economic Commission, Joint Business Council and the Agreement on Avoidance of Double Taxation. These agreements are complementing our efforts to enhance economic and trade relations.

I would like to express the appreciation and gratitude of the government and people of Nepal for the prompt and substantive assistance we have received in the aftermath of the devastating October 8 earthquake.

In conclusion, I would say that the tremendous sympathy and support expressed by the people of Nepal towards the victims of the earthquake will always be a reminder of the depth of relationship between the peoples and the governments of the two countries. ■

*(Excerpts of a statement delivered by Pakistani ambassador to Nepal Sohail Amin on February 20)*

# “Our Cooperation With State Authorities And With The CPN (Maoist) Has Certainly Developed”

By IAN MARTIN

The most significant factor affecting the trend in conflict-related abuses was the four months of unilateral ceasefire declared by the CPN (Maoist). This saw a marked reduction in killings of all kinds, although other violations by the CPN (Maoist) continued, including abductions, threats and extortion, as did violations by security forces. There was also a marked decline in disappearances reported in 2005, although I must stress as strongly as I can the continuing responsibility of the State to clarify the many outstanding cases of disappearances from previous years.

It is a tragedy for the people of Nepal that full-scale conflict has now resumed. When the unilateral ceasefire ended, High Commissioner (of UN Human Rights Commission) Louise Arbour emphasized that there must not be the same gross violations of international humanitarian law and human rights standards that have been perpetrated during previous phases of the conflict. She declared that those on either side of the conflict who commit violations must be held accountable, and that this Office would be closely monitoring the conduct of both parties. OHCHR has conducted field investigations in districts where major military operations or encounters have taken place. Our investigations into clashes in Kichnas (Syangja District), Tansen (Palpa District), Phaparbari (Makwanpur District) and Panauti (Kabrepalanchok District) found that each of the clashes occurred in highly populated areas, placing the civilian population in grave danger, and combatants made use of civilian buildings, including schools. This violates the requirements of international humanitarian law to protect civilians against the dangers arising from military operations. Other violations noted in our investigations included a small number of civilian deaths; a series of abductions of civilians by the CPN (Maoist), most of whom have since been released; and destruction or damage of a school and other public buildings. Children in particular have been placed at risk, including as combatants within the CPN (Maoist), by indiscriminate action by the security forces, including aerial bombardment, and by the placement or abandonment of explosive devices.

We have nevertheless noted a number of positive steps taken by both sides to minimize civilian casualties, for example in the cases of Syangja and Panauti where the Royal Nepalese Army (RNA) showed clear restraint in responding to CPN (Maoist) attacks. OHCHR also notes that neither side has engaged in a pattern of deliberate killing of civilians in these combat situations, and that the CPN (Maoist) has promptly released captured members of the security forces. OHCHR's investigations into allegations that five police were deliberately killed inside Thankot police station have been unable to establish the facts with certainty, but I have been assured by the leadership of the CPN (Maoist) that they do not intend to target unarmed police.

Turning to issues of democratic rights, when our Office was opened in early May last year, the state of emergency declared on 1 February 2005 had only recently been lifted and many political and civil society activists were still detained under the Public Security Act. Eventually all were released, but we continued to be concerned about restrictions or attempted restrictions on fundamental rights: on freedom of expression, through the Media Ordinance; on freedom of association, through the Code of Conduct imposed on non-governmental organizations; and on freedom of peaceful assembly. Blanket bans were imposed in many municipalities as a means to prevent the exercise of the right to freedom of peaceful assembly, culminating in the ban, curfew and mass arrests to prevent protest in

Kathmandu on 20 January 2006 and similar measures around the country in the days up to 8 February. The great majority of detainees have been arbitrarily arrested for exercising their right to freedom of assembly or expressing their political opinion. Some have now been detained in unsatisfactory conditions for four weeks. In every case brought before the courts their detention is being found illegal, and the authorities should not be waiting for court orders before releasing all those against whom there is no evidence of involvement in violence.

OHCHR has monitored a large number of demonstrations, and sometimes has been able to acknowledge a high degree of restraint by the police. But there have also been serious cases of excessive use of force, and in a few cases beatings amounting to torture of those taken into custody. Most seriously of all, a demonstrator died when the RNA fired on demonstrators in Ghorahi (Dang District) on 8 February. OHCHR is investigating the circumstances, and has sought information from the Home Minister, the RNA and the police about official investigations. We do not believe that investigations are being undertaken with the seriousness and independence that is required.

The murder of two election candidates, death and injury to others in attacks on candidates or their homes, and the murder of a taxi driver during the Maoist-declared bandh, are all to be utterly condemned. When the spokesperson of the CPN (Maoist) responded publicly to my call to confirm that it is against their policy to take physical action against any unarmed persons, he said that his party was already investigating several incidents of this nature. I repeat now my call for the results of such investigations to be made public and action taken against those responsible. I welcome the releases that have taken place of some persons abducted and detained by the CPN (Maoist), but I call for the release of all, including the three executives of Surya Nepal whose holding as hostages has been acknowledged by the All Nepal Trade Union Federation – Revolutionary.

I am often asked whether the presence of OHCHR-Nepal has had a positive impact on the human rights situation. Our cooperation with State authorities and with the CPN (Maoist) has certainly developed over the short period since our Office was established. The reduction in the number of detainees in army barracks and of disappearances, and the commitments to establish a central register of detainees and to legislate against torture, are positive developments, but transparent investigations, prosecutions and appropriate punishment to end the impunity of perpetrators are essential. The leadership of the CPN (Maoist) has made further commitments to us and to others that they will observe international humanitarian law and respect human rights, but they have to ensure that their cadres respect these in practice.

The question about our impact is best answered by Nepalis, and many Nepalis tell me that they believe that violations would be more severe if we were not present. But one cannot separate our work from that of our partner organizations: the National Human Rights Commission, human rights NGOs, the Nepal Bar Association and other civil society organizations. I pay tribute to all who have worked for human rights in the period of this report, and I hope that their efforts will be rewarded with greater improvements in the period ahead. As the High Commissioner concludes her report, the best basis for building the full respect for human rights would be the peace for which the people of Nepal continue to yearn. ■

*(Martin, the Representative of the High Commissioner for Human Rights in Nepal gave this press statement on February 16 in Kathmandu while releasing OHCHR's report on human rights situation in Nepal)*



## U 19 WORLD CUP

# Building Reputation

After winning the Plate championship at the U 19 ICC world cup, Nepal now has build a reputation that it must keep in the days ahead

By A CORRESPONDENT

**A**fter the upset win Nepal registered successively in the recently concluded plate championship of Under 19 ICC (International Cricket Council) World Cup tournament – by overcoming the Proteas and Kiwis – a reputed cricket

defeated two strong teams to snatch the Plate championship trophy. "Manner of their wins was what brought the competition to life. South Africa needed 16 off two overs with six wickets in hand, but Nepal's bowlers held their nerve. If that was impressive enough, the Plate final was incredible. At 75 for 6, chasing



Nepali team: Winning touch

*The Kathmandu Post*

writer Andrew McGlashan wrote in his column in [www.cricinfo.com](http://www.cricinfo.com) that Nepal's display was one of the "high points" of the tournament.

"It took 38 matches for the first upset in the tournament, then two came along in a rush – and both from one team. Nepal had always seemed the likeliest side to cause a shock; they had an experienced team and a coach, Roy Dias, who knew Sri Lankan conditions inside out," McGlashan writes.

Furthermore, the writer also applauds the manner in which Nepal

205, most people thought the game was up – except the ones who mattered, Nepal. Basant Regmi played the game of his life, scoring 66 and taking three wickets, as they squeezed home with two balls and one wicket left. The wild scenes of celebration were a joy to watch – as was the dancing in the hotel that evening," he writes.

Along with writers like McGlashan, Nepal's remarkable display in Colombo has enthralled many. "New Zealand suffered the indignity of losing to international lightweights Nepal in the

plate final at the under-19 cricket World Cup in Sri Lanka yesterday. Nepal, who recorded a shock win over South Africa in a semifinal 24 hours earlier, inflicted a second deep wound to the pride of the established cricketing nations by beating New Zealand by one wicket with two balls to spare in Colombo," wrote another writer.

Even though Nepal was defeated by England and Zimbabwe in the first round because of which it could not proceed to the cup championship – which was later bagged by last year's defender Pakistan – the youngsters of Nepal held their nerves to win against Uganda, South Africa and New Zealand to add the biggest feather in their cap yet.

In 2002, too, Nepal had reached the finals of the Plate championship but had lost to Zimbabwe then.

After the historic win Roy Dias, Nepal's Sri Lankan coach, said: "After the 2002 final it is just great that we have got across the line – for the players and the country. People will celebrate a lot because it is very important for Nepal. We have beaten two Test-playing nations and that's a great achievement for the youngsters as they can now believe in themselves." (The Himalayan Times daily)

The U 19 world cup is said to be an important even in international cricket scene. It is also known as a conveyor belt of sorts that keeps on producing talented youngsters who graduate to the national team of their respective countries. Yubaraj Singh and Virendar Sehwal of India are two such youngsters who had graduated with flying colors at their national level after their remarkable display at U 19 level.

By successfully playing in the international competitive cricket, Nepal has shown every possibility of being able to play in ICC World Cup in near future. But for now, the country and its players have more immediate task in hand – that of maintaining their reputation that they have earned through hard work and sheer dedication and determination. With an able coach like Roy Dias who has been on their side for the past many years, Nepalese players can expect to move by leaps and bounds. ■

# RAM SHARAN DARNAL

## Pioneer In Folk Music Research

Darnal opted to research and write on music after a tragic incident in his family

By THAKUR AMGAI

**A** While tragic incidents leave a long-lasting psychological trauma to many people, few are really able to convert 'grief to power'. Ram Sharan Darnal, today a 'brand name' in Nepali music fraternity in itself, did exactly the same.

On the eve of Dashain, the great festival of all Nepalese, 2025 (Bikram Sambat), his house in Kaldhara collapsed due to a torrential rain. The disaster killed his elderly mother and destroyed the entire orchestra of his musical instruments. This evoked a deep grief in Darnal. He remembers, "The instruments were destroyed so badly that they could not be even used as firewood."

At a time when no institutional initiatives were taken to collect, preserve and study about the folk instruments of the country, this damage of the historical musical instruments- most of which were passed on from one generation to the next - meant that they would be forgotten forever.

Since then, Darnal - who is now 68 years - a professional musician, ceased playing music totally and ventured into researching and writing about Nepali folk instruments.

His first article 'The Role of Musical Instruments in Nepali Music' got published in Gorkhapatra the same year.

In the subsequent years research and writing became Darnal's passion. He would travel from one district to another talking to local people about the local folk instruments, collecting them and writing about them.

Darnal's persistent efforts for more than three decades enriched the country with documented details about Nepali folk music and instruments from a meticulous researcher and an orchestra

of about 400 Nepali folk instruments - many of which are already extinct from popular use while others are on the verge of extinction or have mutated.

Darnal, in turn, has earned a brand name. Virtually no researcher of Nepali folk culture has completed his research without meeting Darnal. If any one has done so, his research is incomplete. His words about Nepali folk music can be taken as 'authoritative' in most instances.



**Darnal:** Unique study

Darnal has documented his findings and opinions in different books and freelance pieces in newspapers and magazines. He has got almost a dozen publications in his bag including 'Sangeet Parikram' (2041), 'Nepali Sangeet Sadhak' (2038), 'Pragya Puraskar Dwara Puraskreet Pratibharu' (2039), 'Sangeetko Bistreet Abalokan' (2041), 'Bishwa Bikhyat Sangeetkar' (2041), 'Nepali Sangeet Sanskriti' (2045), 'Sangeet Saurav' (2058), 'Nepali Bagina Ra Kala' (2060), 'Nepali Baja' (2061) and 'Gayan Shaili' (2061).

Recently, a 'Folk Instruments Museum' has been established through Darnal's efforts with a collection of about 400 Nepali folk instruments. However, only about 50 instruments are on the display due to the lack of space.

Darnal is advocating actively for a National Orchestra. "Nepali music can be represented in the international community only if we have a national orchestra. The government should take initiatives for this," he says.

Darnal was born in 1994 in Kathmandu. His family had a musical environment. His father, also a member of the Nepalese band, played instruments like organ and sang Bhajan.

He was admitted to Durbar High School in Kathmandu. When he was the beginning of his teens, the Louise Banks - widely renowned Indian musician - paid a visit to his house in Kathmandu from Darjeeling. Darnal, with permission of his father followed Banks to Darjeeling where he was admitted to Center Point School.

In the School and during the off hours, Darnal used to learn music. His host Louise Banks also was a source of inspiration.

After passing high school, Darnal came back to Kathmandu and joined Royal Nepal Academy since 2016. He has been affiliated with the academy throughout the years before he retired three years ago.

In retrospect Darnal feels that although he has achieved little for himself, he has contributed a lot to the nation.

"By engaging myself in researching and writing I have not been able to buy one single instrument for myself," says Darnal. "However, I feel content that nowadays (after I started writing) there are many initiatives being taken for the preservation and promotion of the Nepali folk music."

Darnal has been felicitated by several organizations, and awarded with medals including the prestigious international award 'Dr Ambedkar Award', 'Jhapat Award' and 'Gorkha Dakshin Bahu', among others. ■

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