

The National Newsmagazine

SPOTLIGHT

3-9 August, 2001



Electricity Tariff Squeezing the Consumers

- Nepal Indosuez Bank
- Deuba's Cabinet
- Govt-Maoist Talks

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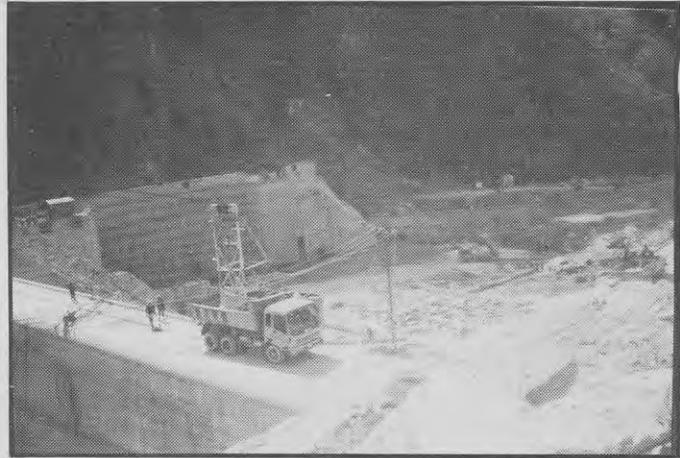


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COVER STORY : Electricity Tariff : Squeezing The Consumers
Burdened by overstaffing, political intervention and financial mismanagement Nepal Electricity Authority is gradually heading towards nowhere. Page 16



ALL OUT ASSAULT
The fifth constitution of Nepal is under persistent calls for amendment. Page 14



ENCOUNTER:
Ms Shailaja Acharya
Congress Leader Acharya Speaks about current political issues. Page 22

SPOTLIGHT

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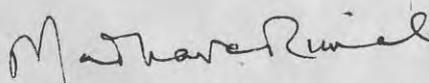
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EDITOR'S NOTE

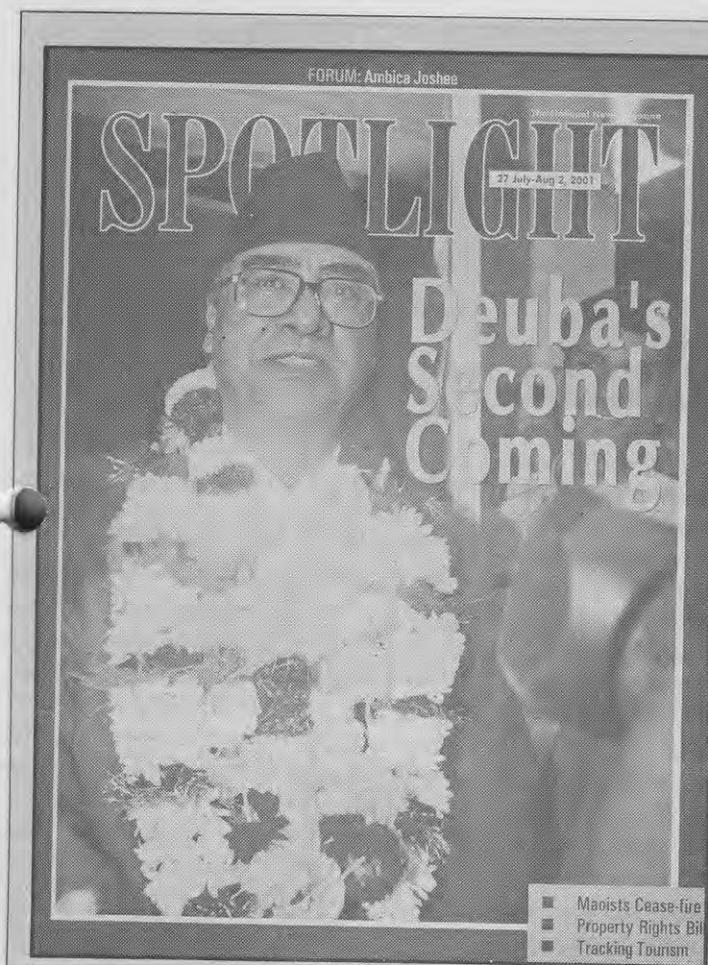
The skeptics who had refused to accept Sher Bahadur Deuba's second initiation to the highest executive position as a positive development could, after all, be correct. Deuba's induction of majority of old timers into his cabinet has disillusioned many of his supporters. Those who were hoping for a cleaner administration have been totally disappointed. It clearly demonstrates Deuba's constraints, vulnerability and character. He has either not learnt any lessons during the last five years he was in the wilderness or he is still incapable of putting his foot down. Koirala's stepping down and his stepping up has become nothing more than a repeat of the old story of "Gaya Ram and Aya Ram." Even though his first act has thrown icy cold waters on the hopes of many Nepalese we would still give him the benefit of doubt and wait for his other steps. As the Maoists have shown a constructive reaction towards him, he must take measures to embrace the whole nation and form a consensus. If he thinks that only the parties represented in the parliament constitute Nepalese public opinion and leaves out the overwhelming large section who are not represented in the parliament for obvious reasons he knows well, he will be only shortening his own tenure in the government. Because, largest party in the parliament has proved itself, without the least ray of doubt, of being anti-national. And if Deuba too persists in denying this undeniable fact, he knows what could become the consequence. And even more important thing for him is to stand up squarely to the hegemonistic behavior of his southern neighbor. He must be able to convince his Indian counterpart that the Indian media is only contributing to widen the gulf of mistrusts and misunderstandings by resorting to baseless publicity which has not only hurt Nepalese economy but almost ravaged it. Another vexing point to note is last year a large part in Banke district in Nepal was inundated and thousands of poor Nepalese were put to untold miseries by the Laxmanpur dam in adjoining Indian territory. This year again the construction of Rasiyabal Khurda Loutan Dam on the Indian side close to Nepal border has endangered the very existence of Lumbini, the birth place of Gautam Buddha. These are not only unfriendly acts but outright violations of international norms and totally outrage the behavior of a friendly neighbor. These kinds of activities have to be stopped altogether. These could be tall orders for Deuba. But as Prime Minister of Nepal he has to see them executed without delay. Can he? We will wait and see.

* * *

Christina Rocca, the U.S. Assistant Secretary of State for South Asian Affairs has completed her more than a week's visits to three South Asian countries of Nepal, Pakistan and India. She has, indeed, endeared the people of Nepal by assuring the Nepalese that the United States has no intention of looking at Nepal through the prism of any other nation. During her short stay in Nepal, she had to keep a hectic program of meeting with and talking to a horde of people including the King, the politicians, the bureaucrats, the journalists etc. Her emphasis on stabilizing of democracy in Nepal is well understood. At the same time, the poor people of Nepal want the United States to implore upon the Nepalese politicians to work for the country and the people and stop the rampant corruption that is hurting the nation badly. Since the United States, as the leading global power bears the responsibility of maintaining and restoring peace in troubled areas, wherever they be in the world, they can no longer drag their feet in solving the Kashmir issue that is directly affecting the development of one of the poorest regions of the world including Nepal, for more than five decades. As the champions of Human Rights, the United States must take appropriate measures to restore human rights to the Kashmiri people. It is their fundamental right to choose their own destiny. The vexatious issue of Kashmir has destabilised the very economy of the South Asian region and poor Nepalese want this problem to be resolved once for all. Since it cannot be solved bilaterally by Pakistan and India, there is no other alternative for the United Nations but to take it up urgently. We do trust Christina Rocca would impress upon the Bush government to expeditiously reactivate the dormant U.N. resolution in the Security Council. Even small Nepal is being plagued by the Maoist insurrection. As a good friend to Nepal, the United States must use its good offices, and if necessary its heavy influence, with the forces that are helping the Maoists in Nepal to stop all their nefarious activities. The Nepalese people are expectantly waiting to see this positive repercussion of Christina Rocca's visit to Nepal. ■



Madhav Kumar Rimal
Chief Editor & Publisher



Tough Time Ahead

Your cover story "Deuba's Second Coming" (SPOTLIGHT, July 27) made interesting reading. Following the Supreme Court's decision in 1995 limiting the head of government's right to dissolve parliament, the prime ministerial system has suffered a major setback. As a result, every prime minister would have to experience a fate similar to that faced by Krishna Prasad Bhattarai and Girija Prasad Koirala. During his first stint as prime minister, Deuba had formed a 47-member cabinet. Despite that kind of accommodation, his government did not survive for more than 18 months. This time, when the minority has succeeded in pressing the majority to change its leader, one cannot rule out the possibility of another short-lived government. Although Koirala has already declared that he would fully support the Deuba government, one cannot rule out the possibility of continued confrontation.

Uttam Khanal
Baneswor

of areas. I would like to request you to expand your coverage of business and entertainment and introduce columns on social issues. As competition in the media sector is heating up, you need to come out stronger with more reading material.

Bhushan Awale
Bhaktapur

Well Done

Your cover story "Finding A Place In The Space Age" (SPOTLIGHT, July 20) underscored the problems Nepalese satellite television channels will face. General Manager of state-run Nepal Television Durga Nath Sharma rightly pointed out the need to establish credibility on the air. Although Nepal has two satellite channels, why didn't you interview anyone from Channel Nepal? If you had interviewed someone from the private channel, your story would have been able to provide a sharper picture. Please keep up the good work.

Shekhar Dahal
Chabahil

Deuba's Difficulty

The second innings of Sher Bahadur Deuba as a prime minister will not be as easy as his colleagues may think ("Deuba's Second Coming", SPOTLIGHT, July 27). The delay in forming the cabinet has already indicated how difficult it would be for Deuba to run the government. Voices of dissension have already been coming out. I don't think his party colleagues will allow Deuba to run the government easily. The days ahead remain tough for Deuba, to put it mildly.

Dinesh Karki
Jawalakhel

Bad Precedent

It is unfortunate that the Constitution of the Kingdom of Nepal was damaged twice

in its 12-year existence ("Deuba's Second Coming", SPOTLIGHT, July 27). The resignation of Girija Prasad Koirala under pressure from the main opposition party has set a bad precedent for an office that has seen a systematic erosion of authority. Prime Minister Sher Bahadur Deuba and Krishna Prasad Bhattarai are also responsible for the degeneration of politics. Had the so-called Congress dissidents backed Koirala, he would not have had to resign under the pressure from the main opposition party. The country will have to pay a heavy price for this folly.

Janak Lal Shrestha
Maruhiti

Irresponsible Opposition

Whose duty is it to choose

the leader of the majority party ("Deuba's Second Coming", SPOTLIGHT, July 27)? If the present scenario is any indication, it shows that an irresponsible opposition can do everything to oust a duly elected majority government. Our leaders have transformed democracy into farce. Is Prime Minister Sher Bahadur Deuba confident that the opposition will allow him to serve out his term?

Bhuvan Sharma
Dhobi Dhara

Variety Needed

SPOTLIGHT is doing a marvellous job in bringing in-depth and incisive coverage of issues and events week after week. But I feel your coverage is confined to a handful

Intellectual Bankruptcy

You have rightly pointed out the role of intellectuals in Nepalese society who do not have to bear any responsibilities while criticizing the authorities ("Where Are They Leading Us?" SPOTLIGHT, July 27) Their constant blabber lacks concrete alternatives and serves to confuse an already bewildered citizenry. Maybe it's time for the fraternity to adopt a vow of silence.

Niru Shakya
Phewa Lake, Pokhara

Govt. To Release 15 Maoist Activists

The government has announced that it will release 15 Maoist activists to build a congenial atmosphere for the preparation of talks with the underground rebels. Spokesman at the Home Ministry Gopendra Bahadur Pandey said the government has already issued orders to the concerned authority for the release of these people. In a statement, the Home Ministry said the government has halted all its actions against the Maoists to find a peaceful solution to the problem through dialogue. "The government is serious to proceed with the talks in a meaningful way," the statement said. The ministry added that the government was also do-



River Bank

ing necessary work on withdrawing cases against the Maoist activists who are currently in prison after the court decisions or are in custody for investigations. The latest government move has come in the aftermath of the call for a cease-fire by the rebels in response for the same by the newly appointed Prime Minister Sher Bahadur Deuba. *Leading dailies report July 29.*

UML MPs Protest Against Dam

A group of 16 MPs belonging to the main opposition Unified Marxist-Leninist party have demanded the government to ask its Indian counterpart to stop the construction of Lautan Rasiawal Khurd dam near the Indo-Nepal border at Rupandehi in western terai, saying it would submerge



Victims of Violence

hundreds of villages on the Nepalese side. In a joint statement issued Wednesday after inspecting the construction site, the legislators said the Indian side had already constructed a nearly 3-km portion of the dam unilaterally, which would submerge arable land in 18 VDCs in Nepal and displace more than 125,000 people. It could even submerge Lumbini, the birthplace of Lord Buddha, enlisted as a World Heritage Site. The MPs, who were part of the entourage coordinated by the UML's youth wing, have also called upon the Indian government to respect Nepal's sovereignty and deal with the kingdom as a good neighbor. *Compiled from reports July 26.*

Nepal-India Trade Talks This Week

Senior government officials from Nepal and India are meeting in Kathmandu this week (between August 1-3) to discuss various issues related to bilateral trade, officials said. Both sides have attached much importance to the meeting, which is going to take place nearly five months ahead of the renewal of the 1996 Indo-Nepal trade treaty. Kantipur daily quoted Nepalese officials as saying that Nepal would be raising the issue of railways agreement to operate the Inland Container Depot at Birgunj, recognition of the Nepalese Standard Mark by India and removal of Quarant-

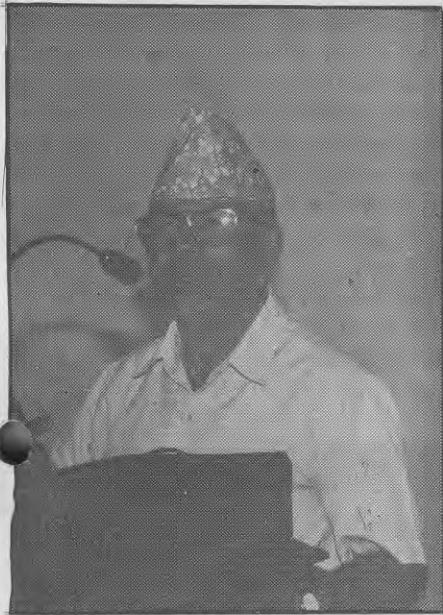
tine duty on Nepalese exports to India. Similarly, Indian officials are expected to raise the issue of unauthorized trade between the two countries and security of Indian investments in Nepal. *Compiled from reports July 26.*

Rebels Abduct Engineer, Political Workers

A group of Maoist rebels abducted Krishna Raj Upadhyaya, chief engineer of Dailekh district irrigation office in the mid-western region, reports said. Upadhyaya was going to the regional headquarters of Surkhet on foot. In a separate incident, the rebels have abducted Yuvraj Giri, a Rastriya Prajatantra Party worker, in the eastern district of Dhankuta. The rebels had earlier kidnapped two people belonging to the ruling Nepali Congress from the district. *Compiled from reports July 27.*

UML And CPN (Unity Center) Come Closer

The main opposition Communist Party of Nepal (UML) and CPN (Unity Center) have, in a joint communiqué, said that a peaceful solution should be found in favor of overall changes in Nepalese society by moving ahead with the proposed talks between the government and the CPN (Maoists), RSS news agency reported. The present problem can be resolved only through progressive changes in Nepalese society and not through regression, mobilization of army and use of force. The communiqué, issued after a meeting between UML general secretary Madhav Kumar Nepal and underground general secretary of the CPN (Unity Center) Comrade Prakash, claimed that only the leftist forces were capable of providing a reliable leadership to Nepalese society. Analysts say as the underground Maoist



Madhav Kumar Nepal

party seems to be seeking a role in mainstream politics, the largest communist party in the country, the UML, is trying to forge alliances with the fringe leftist parties to retain its position. The joint communiqué between UML and the ultra-left party may be a step in that direction, they said. *Compiled from reports.*

Bridge Starts Crumbling Within Two Months

The bridge constructed at Kawasoti River along the East-West highway in Nawalparasi district has started to crumble in less than two months of operations. Constructed at a cost of nearly Rs 30 million under grant assistance from the DFID, the overseas assistance arm of the British government, the 103 m x 10 m long bridge was completed within the stipulated period of 20 months. But the slabs on the upper part of the bridge have already crumbled. Chairman of Kawasoti VDC, Narayan Timilsina, has demanded that the quality of the bridge be checked and the contractor, Sharma and Company, be taken into account. Chief of Western-4 No. Division Road Office at Butwal, Guru Prasad Dhakal, however, said his office could not comment on the issue as the bridge was constructed under foreign

grant and design. *Kantipur July 29.*

French Company To Divest Its Shares From Indosuez

The Credit Agricole IndoSuez of France, a joint venture partner of Nepal Indosuez bank, has decided to divest its shares, a leading daily reported Monday. According to the report, the renowned French Bank had sought to raise its 50 percent equity to 67 percent in the Indosuez two years back but could not get approval. In this year's budget, Finance Minister Dr. Ram Sharan Mahat has proposed allowing foreign investors to raise their investment up to two-thirds of the total shares. The French bank has cited deteriorating law-and-order situation and worsening economic conditions as the main reason for pulling out its investment. Governor at the Nepal Rastra Bank, Dr. Tilak Rawal, however, said

the Credit Agricole was a big bank and that it was closing several branches in accordance with its policy of not investing in small proportions. The present market value of the 50 percent shares of Nepal Indosuez Bank, owned by the Agricole, is estimated at around Rs 2.5 billion. *Kantipur July 30.*

EU, US Welcome Cease-Fire

The European Union (EU) has welcomed the steps taken by the Nepalese government and Maoist rebels toward a cease-fire. In a statement issued by the British Embassy in Kathmandu Friday on behalf of the Presidency of the

European Union, the EU has called for dialogue between the parties and hoped that dates would quickly be set for the negotiations. In a declaration on behalf of its members and associated countries, the EU also called on the parties to renounce violence and seek a peaceful and negotiated solution to the conflict to ensure stable and lasting development in the country.

Similarly, in a congratulatory message sent to Prime Minister Sher Bahadur Deuba on assuming office, US President George W. Bush expressed hope that Deuba would be successful in his efforts to achieve a peaceful settlement of the Maoist dispute. "All of Nepal's friends join in the hope that Nepal can refocus its efforts from the insurgency toward building peace, prosperity and a Strong democratic system," President Bush said. *Compiled from reports July 29.*

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Nepalese celebrated 'Nagpanchami' (serpent festival) pasting posters of snake at door.

THE LOWER HOUSE OF THE INDIAN PARLIAMENT that opened for a month-long monsoon session last Monday was adjourned after paying tribute to the deceased King of Nepal, Birendra Bir Bikram Shah. According to AFP news agency, the tribute was expected as neighboring Nepal and India enjoy friendly relations.

THERE IS ACUTE SHORTAGE OF NURSES IN NEPAL with one nurse serving nearly 4,000 people in the country, experts said. This is very low in comparison to the World Health Organization's standard of at least one nurse for 500 people in developing countries and one nurse for 1,000 people in developed countries. At present, there are only 6,000 nurses serving at different medical institutions all over the country. Experts said Nepal still needs 20,000 more nurses to meet the WHO standard.

AFTER GETTING APPROVAL FROM THE ELECTRICITY Tariff Fixation Commission, the state-owned Nepal Electricity Authority (NEA) has announced hike in power tariff by up to 18 percent beginning mid-August, this year. As per the new tariff structure, the price for up to 20 units of electricity consumption has been increased by 2.56 percent. Those consuming over 250 units per month will have to now pay at the rate of Rs 9.90 per unit instead of Rs 9.25 per unit earlier. The NEA said the tariff hike had been effected to meet the growing demand for electricity in the country, expanding rural electrification, making power supplies reliable and strengthening the electricity production, transmission and distribution mechanisms. Meanwhile, the main opposition, UML, has demanded that the government immedi-

ately withdraw its decision.

THE FEDERATION OF NEPALESE CHAMBERS OF COMMERCE and Industry (FNCCI) has protested against the hike in power tariff, which is scheduled to come into effect from August 17, saying it would worsen the situation of the country's industries and businesses which are already in grave crisis. In a statement issued Thursday, the apex private-sector chamber said the price hike would lead to further deterioration in the competitive edge of the nation's industries and businesses. The rapid increment of up to 80 percent in electricity demand tariff paid by industries and businesses can in no way be considered appropriate based on any standards. Nepal Chamber of Commerce, another business organization, has also demanded immediate withdrawal of the proposed power tariff hike.

THE NEPAL STOCK EXCHANGE (NEPSE) INDEX fell by 9.63 points as the transactions at the country's only stock market closed last week. According to NEPSE, 40,947 units of share were traded for the total amount of Rs 21.2 million. The decline in the overall NEPSE index has largely resulted from the substantial slump in the prices of the shares of leading banks, analysts said. In the first week after the budget, the NEPSE index had seen a whopping 25.49 points rise but continues downward slide since then.

NEPAL HAS BECOME SELF-RELIANT IN THE PRODUCTION of chicken and eggs, experts said. The annual production of chicken in Nepal is nearly 35,000 metric tons. According to Nepal Poultry Farmers Association, more than Rs 25 billion has been invested in poultry business in 42 out of 75 districts in the country. About 55,000 families depend on poultry farming as their main source of income, studies said.

THE SUPREME COURT HAS ISSUED A MANDAMUS TO the government not to provide citizenship against provisions of the constitution and the law through the formulation of working guidelines. In a ruling delivered on Monday, a joint bench of the justices comprising Laxman Prasad Aryal, Govinda Bahadur Shrestha and Kedar Prasad Giri ruled that the authority to provide naturalized citizenship is vested in His Majesty's Government and the authority delegated to the Home Ministry and the citizenship distribution team is to be scrapped. "Though the apex court has given many rulings in this regard, the citizenship has been provided in contravention of the provisions of the laws," the court said. The court verdict came in response to a writ petition filed by advocate Bal Krishna Neupane more than four years ago.

ONE PERSON HAS DIED AND UP TO 20 PEOPLE ARE reported missing after floods and landslide hit the western hilly district of Myagdi, authorities said Sunday. According to a local District Development Committee official, at least 13 persons were missing and presumed dead in Armani VDC alone due to landslide caused by heavy downpour Saturday night. A rescue team, comprising policemen, had not been able to reach the area till late Sunday as the flood in a local river had swept away a bridge along their way, reports said. ■

“Are these the figures the Nepali Congress has. If so, there is no question of our supporting a government composed of tainted figures.”

Madhav Kumar Nepal, leader of the main opposition, commenting on the formation of the cabinet in Drishti.

* * *

“No ministers in the Deuba government were appointed at the recommendation of Kishunji as there is no question of his intervening in the right of the prime minister to appoint ministers.”

Dr. Narayan Khadka, commenting on news published in Kantipur.

* * *

“Former deputy prime minister Ram Chandra Poudel’s chances of ever becoming prime minister have disappeared following his betrayal of Girjababu.”

Laxman Ghimire, member of Nepali Congress Central Working Committee, reacting on the role of Poudel in bringing down Koirala, Ghatna Ra Vichar.

* * *

“I have sung more than 1,400 songs, of which 600 to 700 have been recorded.”



Meera Rana, a prominent Nepalese singer in Chalphal.

* * *

“Please go and ask the Royal Nepalese Army.”

Former prime minister and Congress

president Girija Prasad Koirala, asked whether the Royal Nepalese Army had played a role in his exit, in Himalayan Times.

* * *

“Different rumors are coming out, including non-cooperation from the palace, army and pressure from a friendly country. Former prime minister Girija Prasad Koirala has to disclose whether such rumors have any basis.”

Shankar Pokharel, former UML MP, writing in Drishti.

* * *

“Sherbahadurji has a big responsibility to save the country from falling into anarchy. We will fully support him to find solution.”

Former prime minister Surya Bahadur Thapa, responding to Deuba’s call for a national consensus to sort out the Maoist problem, in Nepal Samacharpatra

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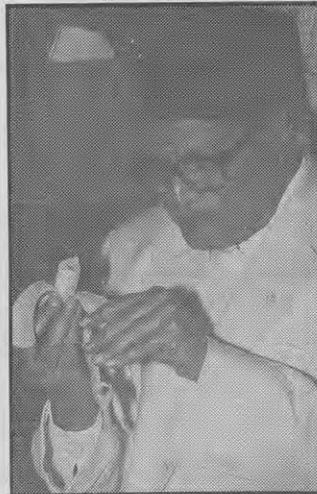
Spacetimes

Donor Couple

CPN-UML general secretary Madhav Kumar Nepal is among the rare Nepalese politicians who have the generosity to donate their property to their party. At a time when everyone is trying to plunder public money for the sake of their family, the leader of the main opposition party has shown that he has a big heart. But this generosity has also surprised many. How did Nepal, the son of an orthodox Hindu priest from Rautahat district, accumulate property in the capital in the name of his wife, Gayatri Devi? Nepal, who likes to portray himself as an anti-corruption crusader, may want to disclose how he got that land. He should not worry about what the chattering classes might say as long as party workers continue to hail him as the champion of the poor. Perhaps he can even go on accumulating assets to donate to the party.

State Of Denial

Whoever holds the prime minister's post, Nepali Congress leader Krishna Prasad Bhattarai's personal secretary, Dr. Narayan Khadka, has his own job cut out for him: issuing statements. After Sher Bahadur Deuba constituted his 13-member cabinet, Dr. Khadka hurriedly issued a statement clarifying that none of the ministers belonged to the Bhattarai camp because the septuagenarian had not given Deuba any names. People like Chiranjibi Wagle, Bal Bahadur K.C. Gopal Man Shrestha, Sarat Singh Bhandary and P.L. Singh, who are in the new cabinet, fought tooth and nail to oust Girija Prasad Koirala under Bhattarai's patronage. Why



Bhattarai : Wait till I eat

is Bhattarai distancing himself from his disciples now?

PM's Chair

When officials at the Prime Minister's Office at Singh Durbar saw a lady enter the room of the head of government, they were understandably surprised. When they found out that the lady was none other than Dr. Arju Deuba Rana, wife of Prime Minister Sher Bahadur Deuba, the officials knew what they had to do: follow her. Dr. Deuba, a professional psychologist, ordered officials to reposition the prime minister's chair making it face east, in-



Dr. Arju Deuba : Choice of direction

stead of south. Nobody knows the precise reasons why Dr. Deuba, a granddaughter of Rana Prime Minister Juddha Sumshere, did that. But she must have had valid reasons. After all, no prime minister has completed his full term in office with his seat facing the south. The following day, when some ministers saw their boss's room rearranged, there was momentary panic, until the chief secretary provided a briefing. Deuba's tenure would depend on all kinds of calculations — celestial, political and directional.

Marxist Parliament

Nepal's members of parliament have a history of making and breaking records. In the last 12 years of multiparty democracy, our MPs have visited different countries to observe how all kinds of parliaments function. Surprisingly, this time, a group of Public Account Committee members vis-

ited North Korea. The choice of North Korea is understandable, as the chairman of the committee Subash Chandra Nembang is a communist ideologue. Nembang's party aims to turn Nepal into a communist state and a crash course on how



Nembang : North Korean democracy

North Korea's legislature operates would come in handy. Where's the next destination, Cuba?

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SHER BAHADUR DEUBA Gaining Strength

Days after assuming office, Prime Minister Deuba is gradually consolidating his position

By KESHAB POUDEL

After nearly six months of endless confrontation, Prime Minister Sher Bahadur Deuba seems to be in a position of calm national politics, consolidating his position within the parliament and the ruling Nepali Congress party.

From septuagenarian leader and former prime minister Girija Prasad Koirala to the main opposition party CPN-UML and, importantly, the CPN-Maoist, Deuba appears to have been successful in garnering support for his government from all quarters.

As Deuba moved to consolidate his position, he called a meeting for national consensus. The prime minister is said to be preparing a common approach to talk with the Maoist rebels. As Deuba has already received backing from the opposition, the government may be in a position to talk to the Maoists from a wider mandate.

Koirala's backing for Deuba is understandable, as this is a Nepali Congress government. What is interesting is the way in which Deuba has been able to rally the support of all opposition parties and rivals of the Nepali Congress.

Declaring a truce with the government and agreeing to hold a dialogue, the CPN-Maoist has shifted its stand for the first time in the last six years from unleashing the full power of their "people's war" towards the negotiating table. This atmosphere was not seen during the RPP-UML, NC-ML and NC-UML governments.

Leader of the main opposition party Madhav Kumar Nepal has already asked his workers to support the government based on its performance. Nepal, who led an agitation that included a three-day

bandh and the disruption of the winter session of parliament for 64 days to oust Koirala, seems to be in a no mood to obstruct the new government.

Whether it is the success of his political strategists or something else, Prime

tween the two. Had the junior Koirala agreed to withdraw his candidacy in the parliamentary party election, former prime minister Krishna Prasad Bhattarai would have become prime minister for the third time.

This change of atmosphere is hardly coincidental. Prime Minister Deuba has certain distinct quality. He is known as accommodative and is easily accessible to party workers.

The majority of Congress workers prefer Deuba, because they believe Bhattarai is arrogant and unwilling to listen to others.

In his last tenure as prime minister



PM Deuba : On truce

Minister Deuba is consolidating his position inside the party and outside. In the party, Deuba has already clipped the wings of Koirala by appointing his two closest allies Mahesh Acharya and Amod Prasad Upadhyaya in the cabinet. Sushil Koirala, party general secretary who challenged Deuba for the leadership of the parliamentary party, too, has joined Deuba's bandwagon.

"Sherbahadurji and Sushil Koirala are the two sides of the same coin," said Shailaja Acharya, former deputy prime minister and leader of the Nepali Congress, hinting at a secret alliance be-

Deuba handled Nepal's first coalition government with great care and brought all political parties together to ratify the Mahakali Treaty in parliament. At a time when the country is in urgent need of another phase of national consensus to solve the Maoist problem, Deuba's personality and style may come in handy.

Regardless of results the impending talks between the government and the rebels, Deuba is establishing himself more firmly as the third — and youngest leader — of the Nepali Congress triumvirate. ■

DEUBA CABINET

Compromise Formula

By bowing to pulls and pushes within the ruling party, the new prime minister loses an opportunity to make a new beginning

By A CORRESPONDENT

Though his political guru and predecessor, Girija Prasad Koirala, managed to transfer his mantle to his successor in a constitutional way in less than four days (he is even said to have contemplated to complete the job within 24 hours), Sher Bahadur Deuba seemed in no hurry. For four days, officially, there was no government in Nepal. Only on the fifth day of his appointment did Premier Deuba manage to announce a 13-member cabinet, which looked like a compromise package rather than a committed team. (Box)

Despite managing to garner a landslide victory in the Nepali Congress Parliamentary Party (NCP) elections last Sunday, Premier Deuba had a tough time in constituting his cabinet, having to accommodate different camps and factions within the ruling party.

In the first phase of his cabinet, he chose to give berths to so-called close

aides to both senior party leaders Krishna Prasad Bhattarai and Girija Prasad Koirala, as well as his own colleagues. Chiranjivi Wagle, a close confidante of Bhattarai, holds the second position in the cabinet.

Similarly, kitchen cabinet members of former premier Koirala, Mahesh Acharya and Amod Prasad Upadhyaya, have been accommodated in the new cabinet. Acharya, who earlier held the high-profile defense portfolio, will now have to be content with the agriculture minister. Dr. Ram Sharan Mahat (finance) and Upadhyaya (education) retain their old portfolio.

Deuba's close aides, Bal Bahadur K.C. and Sharad Singh Bhandari, have been accommodated in the cabinet whereas former Koirala aides Bijay Kumar Gachhedhar and Jaya Prakash Gupta, who had switched over to the dissident camp, have been given important portfolios. Former Kathmandu mayor, P. L. Singh, is the only new face in the cabinet.

Khum Bahadur Khadka, an ambitious and influential young leader of the party, has been assigned the home and local development portfolio. Sources said Khadka finally agreed to join the cabinet after the premier assured to give cabinet berths to over half a dozen of his colleagues. In his second expansion, Deuba is expected to award more berths to Khadka's supporters within the party.

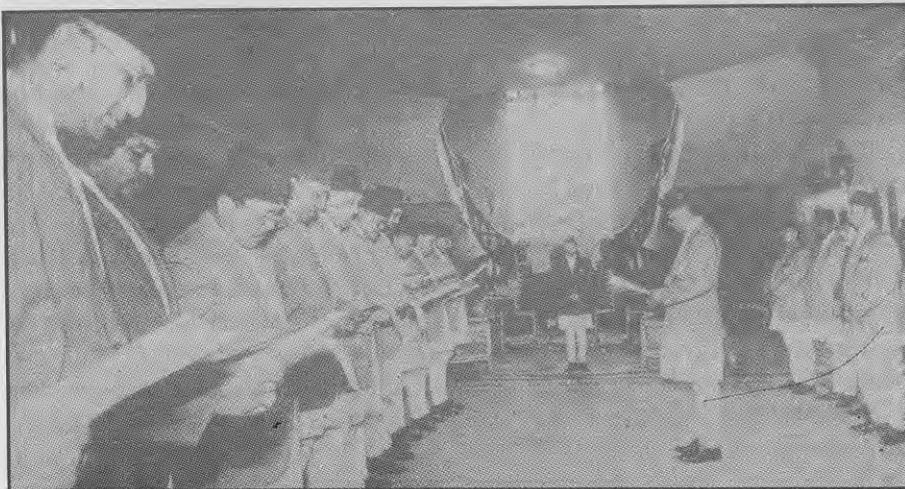
The Deuba cabinet has been criticized for giving more space to power brokers and 'old faces' with tainted images rather than giving a chance to young, energetic and clean faces within the ruling party. Whether he will be able to give a clean government and take the country out of the mess of violence and terror remains to be seen. ■

The New Cabinet

Sher Bahadur Deuba-Prime Minister, Royal Palace Affairs and Defense, Foreign Affairs, Industry, Commerce and Supplies, General Administration, Women, Science and Technology, Land Reforms and Management, Law Justice and Parliamentary Affairs

Ministers

Chiranjivi Wagle-Works
 Khum Bahadur Khadka-Home, Local Development
 Gopal Man Shrestha-Forest and Soil Conservation
 Dr. Ram Sharan Mahat-Finance
 Bijay Gachhedhar-Water Resources
 Bal Bahadur K.C.-Culture, Tourism and Civil Aviation
 Sharad Singh Bhandari-Health
 Palten Gurung-Labor and Transport Management
 Jaya Prakash Gupta-Information and Communications
 Mahesh Acharya-Agriculture and Cooperatives
 Amod Prasad Upadhyaya-Education and Sports
 P. L. Singh-Population and Environment



Ministers taking oath : Old faces

OPEN BORDER Overdue Debate

Intellectuals discuss the problems and challenges posed by the open border between Nepal and India

By KESHAB POUDEL

Does Nepal need an open border with neighboring India? Most Nepalis have an opinion. When it comes to articulating the pros and cons of an open border with the mighty neighbor to the south, neither officials nor intellectuals can produce persuasive arguments either way.

For long, a section of Nepalese intellectuals, including leftist and rightist politicians, have called for sealing the border. Others advocate limited regulation. Over the last few months, the Indian side, too, has found itself debating the issue, regularly accusing the Nepalese of ignoring criminal elements crossing into India. Indian media coverage of Nepal usually concerns the misuse of the Nepal-India open border to destabilize India.

At a time when people on both sides are realizing the need to take some steps to regularize the open border, the Institute of Foreign Affairs and Friedrich Ebert Stiftung organized a day long seminar in the capital to discuss the prospects and challenges.

Regulating the Nepal-India open border requires intensive study and homework, as many Nepalese living in the southern plains need to pass through Indian territory before reaching home. A similar situation exists for many Indian citizens. Nepalese and Indian citizens are benefiting from this easy access to each other's territory.

In such a situation, the open border could be used for the equal benefit of Nepalis and Indians. In economic and political terms, however, the facts are intimidating. Even a small fraction of India's massive population flowing into Nepal would trigger panic in the kingdom. India as a big country,

however, can easily absorb even a big exodus of Nepalese citizens.

The open border between Nepal and India has always been a matter of debate among the Kathmandu intelligentsia. The worries of intellectuals are understandable, as Nepal, a small country situated between two Asian giants, India and China, has long been struggling to preserve its identity.

"Nepal cannot keep open its border for longer period of time. The time has now come to take steps to regularize the open border between two countries," said Dr. Ram Kumar Dahal, a professor of political science at Tribhuvan University.

Interestingly, even before the start of the debate in Kathmandu, one of the largest Indian states, Uttar Pradesh, already announced its decision to fence its border



India-Nepal Border : Open for all

with Nepal. "The Nepalese government has to take initiatives to regularize the border between the two countries," said Kamal Thapa, a former foreign minister and spokesman of the Rastriya Prajatantra Party.

As a small country, Nepal's economy and infrastructure cannot cope with the uncontrolled inflow of foreign citizens. This is why the Nepal-India Peace and Friend-

ship Treaty of 1950 also gives certain privileges to Nepal to restrict unlimited flow of Indian citizens into the kingdom. Clause 3 of the Exchange of Letters accompanying the 1950 treaty clearly accepted Nepalese vulnerability. Nepal shares a 1580-km boundary on the east, west and south with India.

Some experts want more studies to find out the implications of a regulated border. "The open border is not a major problem between the countries. Tens of thousands of Nepalese are employed in India compare to the few hundred thousands Indian in Nepal. Before taking any decision on regulating the border, the government must take intensive study," said Badri Prasad Ojha, general secretary of the Federation of Nepalese Chamber of Commerce and Industries.

To be sure, an open border per se is not bad for the country's economic development. In many cases, an open border improves the possibility of achieving economic growth. The fact that Nepal has on its borders two emerging economic powers should be seen as an opportunity.

Nepal is not the only country that maintains an open border with its neighbor.

Even developed countries like the United States and Canada share an open border. But there are differences in the two cases. "The most serious and adverse impact of open and uncontrolled Nepal-India border has been in the form of growing and anti-social and lawlessness activities. The ever-increasing crimes along the border have been a major concern for both governments since early nineteenth century, and the Treaty of 1855 was aimed at controlling these problems. However, the open border has rather enhanced such activities," said Dr. Vidya Bir Singh Kansakar, of the Central Department of Geography at Tribhuvan University.

Although the debate on the open border between Nepal-India has begun, the intellectuals and politicians have to undertake intensive studies before making any decision on such an important and highly sensitive issue. "We have made a modest effort to start a debate on the issue," said Dr. Mohan Prasad Lohani, director of the institute. ■

CIAA'S TENTH ANNUAL REPORT Upadhyaya Indicted!

In its tenth annual report, the Commission of Investigation of Abuse of Authority indicts its own chief

By KESHAB POUDEL

After the submission of the Commission of Investigation of Abuse of Authority (CIAA) report to the House of Representatives as directed by His Majesty the King, the chief of the CIAA appears to have lost the moral authority to stay on in the post. The indictment has also raised questions about the efficiency and capability of the Constitutional Council in checking the background of candidates appointed to constitutional bodies.

Although CIAA Chief Commissioner Surya Nath Upadhyaya, a self-styled anti-corruption crusader, himself has been indicted for abuse of authority (improper conduct), surprisingly nobody in the media, intellectuals and lawmakers have raised this fundamental question: Can a man continue in office when he is indicted by his own report?

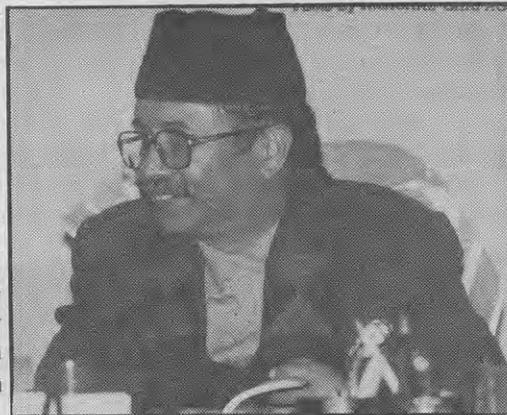
When the CIAA sent a letter to former prime minister Girija Prasad Koirala referring to the role of the cabinet in the controversial Lauda Air deal and warned former minister Govinda Raj Joshi for his involvement in the appointment of the teachers, everyone raised questions of morality and demanded their resignation. What makes the current case qualify for the deafening silence? Could anything be more authentic than the CIAA's own report?

When the council was considering appointing someone to head the CIAA, it should have looked into the report and files of the CIAA. It was nothing short of abysmal failure on the part of the council to have ignored the personal record of this particular candidate.

Legal practitioners also question

Upadhyaya's own role in withholding the truth of his past, pushing the CIAA and the council into controversy. If such a situation were to happen in other parts of the democratic world, the person would be taken in under the charge of perjury.

"Had it been disclosed before, he would have been disqualified for the post. That means Upadhyaya lied to the



Upadhyaya : Morality of my modality

highest authority of the country," says an analyst. "This proves that the inquiry before appointments to such a high-level commission seems to be very loose. Anyone could easily bypass the council."

"This episode shows that his [Upadhyaya's] past conduct was not good and he withheld information about his indictment. But he cannot be impeached on the grounds of this report," says senior advocate Mukunda Regmi.

When the conduct of an individual nominated to the post was improper, whose responsibility is it to have allowed the appointment to go through? Although the Constitution of the Kingdom of Nepal 1990 has not defined what

constitutes improper conduct, the CIAA Act, enacted by the parliament under the authority of Article 98(4) defines the term as any wrongful act done by a public official knowingly or negligently.

Abuse of authority includes corruption as well as improper conduct. According to the act, the improper conduct means failure to perform an act within his jurisdiction, or performance of an act outside his authority; non observance of procedures obligatory to the making of any decision or issuing of an order; use of authority for a purpose other than that specified in, or in contravention of, a concerned law.

On Page 54 of the report, Upadhyaya is indicted for nominating an individual for scholarship by violating the set standard under the influence of particular minister of that time. The report sees the decision as an improper. Why Upadhyaya failed to make a full disclosure before the Constitutional Council regarding his indictment by the CIAA is another matter.

The council consists of the highest functionaries of the countries: the prime minister, chief justice, speaker of the House of Representatives, chairman of the National Assembly and leader of the main opposition party.

By this act of non-disclosure, Upadhyaya brought great embarrassment to those who appointed him. Who going to take responsibility for this serious lapse?

Others defend the right of parliament to take necessary steps against the accused. "Upadhyaya misled high officials of the council by concealing his record," said another lawyer. He was under obligation to disclose this fact of indictment on abuse of authority. No such person can be appointed as chief of a commission. "How can one remain in the power on moral ground?"

If Upadhyaya thought he was innocent and was dissatisfied with the CIAA's indictment, he should have gone to the Supreme Court. "He chose not to mount a challenge in court, which clearly means that he accepted the guilt," says a lawyer. ■

GOVT-MAOIST TALKS

Are They Sincere?

As rebels try to strengthen their position, officials doubt at their sincerity

By A CORRESPONDENT

From Nuwagaon (in mid-western district of Rolpa), they have landed right into the capital. For the first time since the launching of 'people's war' more than five years back, sister organizations of the underground Maoist party organized an 'open mass meeting' at Indrachowk last week. The Maoist activists warned anyone who would try to spoil the environment for talks but insisted that they would not be satisfied on anything less than 'total change.'

As the 'cease-fire' between the government and Maoist rebels entered into the second week largely peacefully, the Home Ministry announced that it was going to release 15 Maoist activists put behind bars under the Public Security Regulations. The rebels, too, responded by releasing a few policemen.

Prime Minister Sher Bahadur Deuba, on his part, was busy consulting political leaders from the opposition as well as within the ruling party. His aides said the premier is trying his best to seize the opportunity and work out a lasting peace with the rebels.

Officials, however, suspect that the Maoists could use the opportunity to strengthen their position for future offensive.

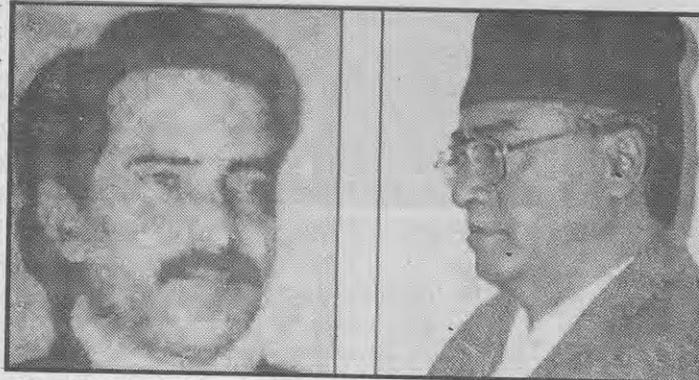
Kantipur daily reported that the rebels were collecting 'donations' at a huge scale from all over the country. Taking benefit of the lax security, they have even started collecting licensed arms from private citizens right in the capital, the report said.

"The Maoists have not halted their terrorist tactics despite agreeing to a

'cease-fire' with the government," said Ram Chandra Poudel, former deputy Prime Minister, in the House of Representatives Tuesday. "These activities are not conducive for the dialogue."

The Maoist leadership has made it clear that they have moved far away from the 40-point demands that the United People's Front led by Dr. Baburam Bhattarai had presented, coincidentally, to then premier Deuba in early 1996. Now their main demands include convening of meeting of 'all sides,' formation of an interim government, and formulation of 'people's constitution' under that government.

While Premier Deuba has started preparations to convene meeting of the



Prachanda (left) and Deuba : Testing times

parties within and out of the parliament separately, moving beyond that would require him support from the ruling as well as opposition parties. The central working committee of the ruling Nepali Congress is scheduled to meet Friday to give the mandate for dialogue to the government. But it is a common sense that the Congress will not enter into any agreement against the constitutional monarchy and parliamentary democracy—the cause of which it has championed for the last five decades. "We should try to evolve

national consensus with due regard to nationality, monarchy and democracy," said former Prime Minister GP Koirala in his hometown Biratnagar last week.

After the June 1 massacre at the Narayanhiti royal palace, the Maoists have claimed that a situation of republic has emerged in the country. "Now there is a need to institutionalize that republic," said Comrade Prachana, the top Maoist leader.

The cease-fire between the government and the guerrillas is certainly a new development. However, there had been several such cease-fires and 'talks' between the two parties in the people's wars of China, Vietnam, Korea, Kampuchea, and Laos, say analysts.

"Of course, both sides are tired and want to rest for a while. Insurgents and governments both, in other countries, have tried to consolidate their respective positions during these cease-fires.

Nepal's case can not be isolated because both sides are getting advice from their respective ideological friends, and also from historical literatures," said Dr.

Chitra k. Tiwari, a political scientist based in Washington D. C.

"I do not see any chance of negotiated settlement of Maoist insurgency because I don't find any point of negotiation for either parties. The timing of cease-fire is natural because the insurgency is in what Mao calls the Strategic Stalemate phase. It is a time for insurgents to consolidate their gains and prepare for

the final phase i.e. the Strategic Offensive. Once they enter this phase the war will be over (in favor of the insurgents) within a few weeks to a couple of months. That is why the government is trying to slowdown the process to buy time so that insurgents would not enter the Strategic Offensive phase," said Tiwari.

This means that the first-ever cease-fire between the government and the insurgents may not last long despite international goodwill and paramount domestic pressure. ■

CONSTITUTION

All-Out Assault

The fifth constitution of Nepal is pounded by persistent calls for amendment

By KESHAB POUDEL

Even after getting a new prime minister, Nepal descent toward instability may not have ended. In view of the speed with which political developments are moving, it seems the days of the present Constitution of the Kingdom of Nepal-1990 are numbered.

After the appointment of Sher Bahadur Deuba as prime minister, the country has seen some unusual and unexpected political developments. As Deuba was busy meeting leaders of major political parties to develop a political consensus, former speaker of the House of Representatives Daman Nath Dhungana came out with a call for elections to a constituent assembly.

"We can no longer bypass the issue of constituent assembly. We have to settle it once and for all," said Dhungana, one of the architects of the present constitution, addressing a press meet in Biratnagar. "I am in favor of all-party meeting. If the people so desire, the constitution should be replaced." (Space-Time daily July 30, 2001). Was Dhungana speaking for himself or for the Maoists, with whom he is reportedly close to?

The spirit of the present constitution died in 1995 by a decision of the Supreme Court that limited the prime minister's right to dissolve parliament and call fresh elections. It faced a second assault when the main opposition party compelled the leader of the ruling party to resign last month. This was part of a systematic onslaught on the fundamental values of the constitution.

The sustained attack on the basic law by the main opposition CPN-UML is un-

derstandable, since the party accorded "critical support" to a document it took part in drafting. But the demand made by Dhungana, who was sworn in as a speaker of the House of Representatives to defend, preserve and protect every word of the constitution, for a constituent assembly to frame the new constitution comes as a surprise. He is the first politician to demand elections to a constituent assem-



PM Deuba : Searching consensus

bly and the framing of a new constitution.

CPN-UML leader Madhav Kumar Nepal, another member of the panel that drew up the present constitution, has just demanded certain amendments. "If required, the constitution should be amended," Nepal has been saying in recent years.

Some prominent political scientists have also called for an alternative political system to replace the present one. The current situation seems to be ripe for amending the constitution. If there is a consensus for an amendment, it could be done without destroying or disturbing the basic features of the basic law. Moreover, the constitution itself provides mechanism for amendments.

In the ruling Nepali Congress Party, leaders like Nara Hari Acharya have already made it clear that the party is ready to begin discussions on amending the constitution. While all major political parties of the country are in favor of amending the constitution, smaller parties and political leaders are expressing similar views under the umbrella of Green Nepal Party.

While declaring a truce, the CPN-Maoist urged major political parties to prepare for an amendment to the constitution. As soon as Girija Prasad Koirala resigned as prime minister, amending the constitution has become the dominant issue of public debate.

Just two months after the royal palace killings, Nepal has seen the resignation of Koirala, the truce between the government and Maoists and, now, growing calls for amending the constitution.

"When those who drafted the constitution themselves have lost faith in it, others need not worry. The constitution needs people who can defend it. Today, our constitution is like an abandoned child," says a political analyst. In this situation, how can the constitution survive?

Significantly, leaders of mainstream parties had already proposed specific amendments, even before the Maoists came out with their demands. The constitution seems to have confronted enemies within the system.

The country today has a prime minister who had proved his efficiency in developing national consensus among the major political parties in ratifying the Mahakali Treaty on water resources development with India. One cannot rule out the possibility of a similar consensus to amend the constitution.

What kind of amendments do the political parties want? In their speeches and papers, politicians and intellectuals have made it clear that they are not bothered by clauses as long as the constitution is amended. The indication is that eventually, a Pandora's box is going to open for all. Can the failure of those who framed the constitution be equated with the failure of the constitution itself? ■

NEPAL INDOSUEZ BANK

Change Of Guards

French investors decide to divest their shares in a leading joint venture bank in the country

By BHAGIRATH YOGI

After Nabil and Bank of Kathmandu, foreign investors in the Nepal Indosuez Bank—one of the leading joint venture banks in the country—have decided to exit. The news came as a shock to the new government led by Sher Bahadur Deuba but insiders said the French investor in the Bank had made up their mind for sometime now and only looking for an opportune moment.

The Credit Agricole IndoSuez of France, that owns 50 percent stakes in the Nepal IndoSuez, finally decided to divest its shares. One of the top ten banks in the world, the Credit Agricole had requested the government to raise its 50 percent equity to 67 percent in the Indosuez two years back but could not get approval. In the last year's budget, the government announced that foreign investors would be allowed to own majority stakes in joint venture companies. But due to lack of appropriate regulations the provision did not come into effect. When the French investors tried to raise the issue with top government officials they only received 'cold shoulder,' sources said. The French investors were, however, tight-lipped. Chief Executive Officer of the Bank, Mark Dumaz', was not available for comments.

In this year's budget, Finance Minister Dr. Ram Sharan Mahat proposed to grant foreign investors to raise their investment up to two-thirds in the total equity. This is exactly what the French investors were lobbying for the last two years. So, why did they choose to quit?

After taking over the Bank Indosuez—the French company that invested in the Nepal Indosuez in the mid-eighties—nearly two years back, the Credit Agricole made it clear that it wanted to divest its shares as per its policy due to the

small economic size of Nepal."They said that due to small profit margins and small economy, their working style did not match here,"recalls Niranjana Tibrewala, who had served as director of the Nepal Indosuez Bank for more than eight years, until recently."In fact, if we ask foreign investors to come and invest here, we must give them a chance for comfortable exit as per their wish."

The Credit Agricole is now trying to divest its shares to some reputed and dependable banking group within the country. Sources said the group led by former

One of the top ten banks in the world, the Credit Agricole had requested the government to raise its 50 percent equity to 67 percent in the Indosuez two years back but could not get approval.

chief executive officer of the Himalayan Bank Limited, Prithvi Bahadur Pande, was likely to procure the shares divested by the Agricole.

According to Tibrewala, there will not be any immediate negative impact upon the Nepalese economy due to the exit of the Credit Agricole."Our economy could not take any major benefit out of the excellent goodwill and vast business networks of one of the leading banks in the world."The Credit Agricole is known the world over for its expertise in private asset management, aircraft lease financing etc., among others.

"In fact, if we ask foreign investors to come and invest into the country, we must give them a chance for comfortable exit as

per their wish."

Back home, general public owning shares in the Bank are worried about the future of their investment."We want that the



French side **Singh:** Wanted transparency should sell their

shares to a reliable and competent party,"said Surendra B. Singh, one of the directors of the bank on behalf of the public shareholders."Unfortunately, we haven't been informed by the management in this regard as yet."

Sources said the meeting of board of directors' of the Bank, scheduled on Wednesday, was expected to discuss the issue."Transparency in such matters is highly important. The public should be informed,"said Singh.

Now that the Indosuez has decided to pull out of Nepal, the bottomline is the new group to purchase their share and replace their position must possess attributes including untainted background in financial business, good knowledge and experience about Indosuez operations in Nepal, the vision to lead the bank into the new century and capability to mobilize competent professionals, said a Nepalese investor of the bank.

The French investors will be taking back a handsome return on their investment in Nepal. The initial French investment in the bank was around Rs 15 million. The present market value of the 50 percent shares of Nepal Indosuez Bank, owned by the Agricole, is estimated at more than Rs two billion. The total issued and paid up capital of the Bank at present stands at nearly Rs 170 million. The Indosuez is known the world over for its investment in human resources and interface with the latest technology. What it will be leaving behind is a good will and a battery of highly motivated Nepalese professionals who can work in any international bank with equal ease and competence. Whether the new management will be able to mobilize them for the benefit of the institution and the country remains to be seen. ■

ELECTRICITY TARIFF

Consumers Paying For Inefficiency

Burdened by unproductive staff, political intervention, financial mismanagement and growing electricity leakage and pilferage, Nepal Electricity Authority (NEA) is leading Nepal toward stagnation in terms of power development and electrification. To recover dues accumulating from bad practices, the NEA sees revision in the power tariff structure as the easiest way to get money from the lenders. The recent decision to raise tariff will facilitate NEA to get 50 m US\$ loan from the ADB. It has revised the tariff seven times in the last decade, raising the per-unit electricity price by more than four hundred times. Because of high tariff, there will be more leakage and dues, more pilferage, low collection, and again tariff hike. The vicious circle continues

By KESHAB POUDEL

If the annual report of the Auditor General 2000 is a guide, the revenue generated by Nepal Electricity Authority (NEA) by revising power tariffs will barely cover the losses caused by mismanagement, ir-

regularities and leakage.

Misuse of vehicles, equipment, property and uncollected revenue alone amount to billions of rupees. If the NEA can plug those holes, it would not have to increase tariff every few years. From politicians to industrialists and government offices to the municipalities, al-

most every quarter owes money to the utility monopoly. Had the NEA made serious efforts to recover its dues from industries and institutions, it could have easily collected billions of rupees. But who would want to take the difficult road when the pliant consumers are around. Whenever the NEA needs addi-



Power grid : Supply unaffordable

tional resources, it just sends the people a heftier bill.

Although the Attorney-General's report directed the NEA to collect its dues, the organization has taken a few half-hearted steps. The NEA collected only a fraction of its dues from various organizations last year, amounting to less than Rs10 million.

Will increasing tariff alone help make the NEA an economically strong viable organization? Or does it have to institute radical internal reforms? As a resourceful organization, no political party wants to even think about reforming the NEA. Whenever the NEA management tries to trim down the number of employees, political leaders from all fronts raise their voice in opposition. The cost of overstaffing is passed over to the consumers.

The situation is hardly different when comes to recovering debts. Whenever the NEA tries to crack the whip on industries and hotels, the organization confront almost instant resistance. In the rural and urban areas, political leaders stop the NEA from cutting power supply in areas where people are known to openly steal electricity.

"We know that increasing tariff is not an enduring solution. But we don't

have another option in a situation where nobody wants to support the NEA," said a senior official of the utility. "I don't want to mention their names, but some MPs who are so vocal in parliament against the tariff increases create obstructions when we start efforts to control leakage."

The NEA has remained a profitable organization from the Panchayat days. Whoever is appointed the minister in charge of the NEA, his or her first task is to grab a few vehicles and place supporters on the organization's payroll. The recent list released by the House of Representatives State Affairs Committee also points to how the NEA has become an easy source of vehicles for politicians of all parties.

This rampant mismanagement raises the overall cost of the NEA. Lacking any other option, it raises the tariffs. "Whether people pay or not and whether it is economically right or wrong, the NEA has to go for revising tariffs whenever it needs matching funds to seek foreign loans in electricity extension programs," said another NEA official.

Economically Unjustified

The latest decision by the NEA to raise tariffs is economically unjustified. At a time when the prices of all com-

modities are coming down, nothing can justify tariff increases. How can a farmer who sells his product for the prices of four years ago pay more for electricity?

The argument that increased tariffs help raise revenue deposits is a myth. Despite new projects and more customers, there has been no matching rise in revenues. In 1992, the NEA collected a gross revenue of Rs1,440.620 million with energy supply of 737.352 GWh. In 2000 it sold 1269.274 GWh and collected Rs7012.806 million.

In the area of rural electrification, the NEA has been unable to increase the percentage of consumers in the last 10 years. Barely 15 percent of the total population of the country has access to electricity. If revenues do not increase and transmission lines are not extended, what justification is there to raise the price?

"Increasing tariff does not necessarily increase the annual revenue of the NEA. If it attempts to produce more electricity and supply it reasonably, the NEA would have a much better income," says an economist.

Over the last 10 years, tariffs were increased by more than 400 percent, but the number of consumers remains stagnant at 15 percent. Increasing tariffs is easiest way for officials to collect matching funds required to get foreign loans. "As long as there is leakage and mismanagement on the part of the management, tariff increases alone would not be able to meet the loss," says Hari Om Shrestha, a former senior executive officer of the NEA.

Massive Leakage

If leakage alone is reduced by 10 percent by the NEA, it would accumulate much more in revenue than it would get through the tariff hike. This year, the NEA generated 1500 GWh with a loss of 25 percent, equivalent to 350 GWh or 350.5 million unit. At an average price of Rs. 7.30 per unit, the total loss of the NEA is equivalent to the output of a project like Khimti. If the loss is converted in terms of money, it will be about Rs3 billion. "If the NEA reduces 10 percent of the current leakage, it

would accumulate an additional one billion rupees. Then the NEA would have no need to increase tariffs," says Rajendra Dahal, editor of Himal fortnightly magazine, who writes on energy issues.

Instead of choosing other options, the NEA has once again raised electricity tariff, citing the same reasons: to expand the power grid, to increase number of consumers and to raise the annual revenue to make the NEA self-reliant in carrying out electricity expansion and maintenance projects. The NEA claims that it needs additional revenue to expand the network, but no one likes to talk about what it did with the resources generated in the early days of Nepal's power generation program.

In the last 10 years, the annual leakage, including system losses, has continued to go up. Power theft occurs primarily in rural households and in industrial sectors. That is why the NEA needs to pay more attention to improving the system and technical capability of reducing the losses, instead of raising prices.

"In the short term, the NEA's path towards commercialization and corporatization and profit-centered approach is correct. What is probably needed is a set of time-bound action plans to make the NEA leaner and fitter so that its performance per employee on the MWh and consumer number fronts become more acceptable. Through cost control on its 15 distribution project centers and the handing over the rural areas through the bulk sales to the local VDCs and cooperatives, the NEA can make substantial savings in its overhead costs (meter reading, billing, collecting, operations and maintenance costs) and, most-important, on the unaccountable T&D losses. The NEA has high rural losses and the involvement of the stakeholders will automati-

cally purge the defaulters," says S.B. Pun, a former executive director of the NEA, in a paper published in the Water and Energy Commission's Annual Report 1999.

In comparison to other countries, Nepal's performance in electricity supply is very different. Nepal is one of countries that generates the lowest per capita kWh of power, which stands 55 kWh, whereas Sri Lanka has 218 kWh and Bangladesh has 95 kWh. The energy loss in Nepal is about 24 percent. Average retail tariff is about 8 US cents. An institution that employs 9,000 people, the NEA incurs a system loss of 25 percent and more than Rs1 billion rupees in recoverables from various organizations.

The NEA's total peak demand in

the year 2000 was 351.86 MW and available energy was 1701.45 GWh. In 2001, it was much higher.

Tariff Increase

This is not first time the NEA has revised its tariffs. Following the restoration of multi-party democracy in 1990, electricity tariffs have been repeatedly raised in the year 2048, 2049, 2050, 2053, 2056 and 2058 B.S., respectively. In the last revision, which became effective from 1st of Marga 2056, the average selling price of electricity was increased from Rs.5.07 per kWh to 6.32 per kWh. The recent rise in the price makes Nepal's electricity one of the most expensive in the region. The present average price of electricity in Nepal amounts to US 10 cents per kWh while this price in other developing countries that are close in size of Nepal is much lower as Sri Lanka 6.24, Bangladesh 8.53, Panama 1.2, Honduras 5.39 and Bolivia 7.67.

NEA officials, however, say they usually take into account certain modalities while evaluating the electricity tariff and prices of other related services such as operational and maintenance cost, depreciation of the system, and recovery for repayment of short- and long-term loan.

"Clause 17 of the Electricity Tariff Fixation Rules 2050 has empowered an independent Tariff Fixation Commission of the government to approve the electricity tariff and rate of other related services. According to Clause 6 of the rules, the electricity tariff has to be evaluated based upon the system's depreciation, reasonable profit, operating process, change in consumer's price index, royalty and government policies relating to power development. In addition to this, the rule has also guided considering the marginal cost, exchange rate of convertible currencies, fuel price for power generation and financial



Power house : High construction cost

covenants imposed by the donors," says Shree Prakash Jung Rana in his article "Electricity Tariff in Nepal", published in Vidut issue of 2000.

"The recent decision of the Tariff Fixation Commission does not abide by these terms. Electricity generation projects should be selected strictly based on price of low-generation-cost priority basis and there should be a justifiable limit in share of investment for infrastructure facilities," says an expert.

As pointed out in the Auditor-General's Annual Report 2000, the NEA can easily collect additional money through regularization of the expenditure and by developing an effective technical system. The tariff increases, experts argue, is not a long lasting solution.

Despite its claim, neither the NEA has achieved its target of expanding electricity consumers beyond 15 percent, nor has it been able to accumulate revenue adequate to sustain expansion and maintenance of projects on its own. The available energy was 981.105 GWh and peak demand was 216 MW in 1992. The NEA collected the revenue of Rs1,440.620 million. This was the highest revenue collected from domestic sector, which amounted Rs490.642 million. In 2000, the NEA generated the 7012.806 million with available electricity of 17701.41 GWh. Peak demand was 351.86MW. The number of consumer increased from 355,993 in 1992 to 670,000 in 2000.

These figures show that the NEA has increased the tariff by ten times but the increased revenue is lower than forecast in terms of percentage. Interestingly, the consumer base remains at 15 percent of the population. Even after raising tariffs, why are things so stagnant?

At a time when prices of all the commodities are going down, there is no justification for raising electricity tariffs. If consumers cannot afford to pay higher tariffs, they will start stealing electricity. This means leakage will go up.

"Because of poor planning, the NEA

is now wasting energy at the river. If all the water available in the monsoon is utilized, the NEA can generate additional billions of rupees in revenues," says a former senior executive of the NEA."

Donors' Role

Increases in electricity tariffs are attributable to mismanagement within the NEA rather than to any pressure from donor agencies like the World Bank and the Asian Development Bank. The international organizations definitely put

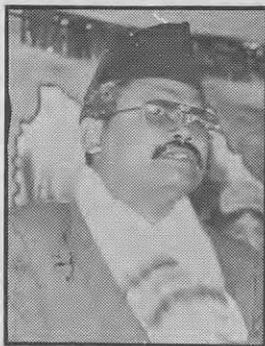
certain demands to ensure that the NEA would be in a position to repay the loans, but they do not dictate details such as the percentage by which the utility needs to increase tariff.

Nepal's politicians are criticizing donors to cover up their inefficiency. Had politicians shown even basic concern for the misuse of the NEA's property and supported the organizations leakage-control efforts, the tariff would not have had to be increased so sharply.

"I am frustrated to see the double

'Tariff Hike Needed For Long-Term Power Development'

— BIJAYA KUMAR GACHHEDAR



Minister of Water Resources BIJAYA KUMAR GACHHEDAR defends the decision of the Nepal Electricity Authority (NEA) to increase the electricity tariff. Excerpts from the statement Gachhedar delivered at the House of Representatives early this week:

On tariff hike:

The government raised electricity tariff to expand the electrification program and to fulfill the commitments made to donor countries. We have increased the electricity tariff by lessening the impact on small consumers. Although the NEA needed a tariff increase of 30 percent to boost capacity to independently finance projects, it decided to increase the rate only by 11.07

percent.

On tariff structure:

The NEA has set a minimum tariff of Rs. 80 for people who use 20 units. The increase in the lower level is just 2.56 percent. Among the total consumers, more than 50 percent of the consumers use 20 units or less. The highest increase affects those who use up to 200 units. The increase in the optimum level is 11.07 percent. The tariff increase is as follows: up to 50 units (9.52 percent), 80 units (10.6 percent), 100 units (11.94 percent), and 600 units (8.06 percent).

On reasons for the tariff increase:

Donor countries and institutions have agreed to invest in the Electricity Development Fund, mid-Marsyangdi project, rural electrification projects and extension of the transmission line. If the NEA's economic performance remains stagnant, we will lose the possibility of attracting foreign investment. If we are not able to attract foreign investment, we will not be in a position to link the electricity of Kali Gandaki A into the national grid. Private investment in the hydropower development will decline and the rural electrification program would be disrupted. I urge all members of parliament and consumers to accept this reality.

On rural electrification:

If we don't increase the tariff, we will not be in a position to implement Rs.3.5 billion rural electrification project. The tariff was increased by a board dominated by members from the private sector after intense study and discussions.

On leakage control:

To control electricity theft, the NEA will implement a special program in affected areas. After the bill on electricity theft is passed, the situation will improve.

standard of our politicians who always walk on two ropes," says a former senior official of the NEA. "When the NEA starts to trim down employees, the politicians are the first to disrupt the parliament. When the NEA seeks to punish those responsible for electricity theft, politicians begin leading an agitation. When the NEA asks politicians to return vehicles requisitioned from the organization, they are the first to call for the removal of officials who make the demand," the official says. "Unless politicians start showing some honesty, no

one can stop tariff increases. If we are honest enough and capable to generate resources, donors would be in no position to tell us what to do."

Revenue Status

There are other grounds to believe that tariff increases would not lead to an increase in annual revenue of the NEA. If the electricity tariff goes up, consumers start to reduce consumption. That means the revenue will automatically be reduced. Nepalese consumers will have to pay an additional 25 percent for power from next month.

According to the NEA's decision, a consumer has to pay between Rs80 for minimum use of electricity for 5 ampere and up to Rs. 9.90 per unit. Industrial units will have to pay higher prices in three phases. A study has revealed that Nepal's per capita consumption per annum is about 48 KWh compare to 11,636 kWh of United States.

After a space of three years, the Electricity Tariff Fixation Commission awarded the NEA with a tariff rise. The tariff rise averaged 26 percent for the industrial consumers and 27 percent for the other category of consumers.

NEA officials argue that the tariff increase was aimed to secure financial indicators such as the rates of return and the capability to self-finance a fixed portion of its investment following reduction that further adjustments would also be required. The NEA made a study to assess the level of capital available for lending in the domestic market and the merits of resorting such loans to bolster NEA financial performance and dampen effects of tariff escalation.

According to the NEA, the total number of consumers is 6,700,000. The domestic category accounted for 95.41 percent of the total consumer numbers, 36.80 percent of the sales and contributed 37.90 percent of the revenue. The industrial category formed only 2.57 percent of the total consumers, but accounted for 5.01 percent of the sales and 6.87 percent of the revenue. The commercial category constituted 0.48 percent of the total consumers, accounted for 6.45 percent of the sales and provided 8.77 percent of the revenue.

The NEA system still faces generation shortages. The country saw severe load-shedding in the months of April and May because of the low level of water. The need of the present time is to distribute the available energy to a large proportion of the population. Because of lack of resources, the NEA has been unable to expand the transmission on its own. Meanwhile, the already burdened consumer is always asked to foot the bill. ■



Electricity on generation : Unaffordable

'Distribution Should Be Handed Over To The Private Sector'

— DR. ROOP JYOTI

A leading industrialist and Vice President of Jyoti Group, DR. ROOP JYOTI, did his Ph. D. from Harvard University on the consumption pattern of electricity by Nepalese industries. He was recently appointed member of National Assembly by King Gyanendra. The soft spoken industrialist, who practices Vipassana, spoke to BHAGIRATH YOGI at his office at Jyoti Bhavan, on the issue of power price hike and its impact on the Nepalese industries. Excerpts:

What would be the impact of the recent power price hike, especially on the industries?

This hike will affect all the industries. Some rebate have been announced but it is not clear how they will be applied. In Nepal there is a huge problem of pilferage. Up to 40 percent of the power transmitted gets lost, nearly 25 percent due to pilferage. If the present level of pilferage could be reduced by half, there will be a saving of 17.3 percent (in our electricity bill). In other words, it will totally eliminate the need to increase the tariff, and can even permit a reduction in the rates! So, NEA should give top priority to check the pilferage.

How reliable is the supply of power by NEA?

We don't get uninterrupted supply, which is so crucial to run industries. There are frequent breakdowns in power supply. The cost to the industries due to lost production and spoiled material is huge. The quality of power supplied by NEA is also bad, low voltage and occasionally low frequency. These cause serious damage to the plant and machinery.

So, what could be done in such a situation?

I have been saying for the past few years that the NEA should hand over distribution of power to the private sector. This will not only reduce pilferage, private sector can also improve the quality and reliability of power supply to its customers. My research has also shown this. NEA can sell the power at the wholesale rate (at 132 or 66 KV) to the private-sector-managed substation and let them sell it at retail (at 11 KV or lower voltage). The substation and the distribution network should be leased out to them. Private sector would have the right incentive to ensure that all the power consumed is paid for and would collect the dues efficiently. The NEA would get its full payment, thus, automatically ensuring a higher return on its investment. In times of short supply, the private sector can install large generators at the substation that can produce electricity at a much lower cost than that by the consumers themselves. The consumers can save the hassle to install and operate generators at their level. This would benefit the NEA as well as the consumers (except those who pilfer now!). So, the government should introduce this system without further delay. When this idea is not turned into reality, we are bound to suspect that some vested interests are stopping it.

How do you see the scenario of power supply after new projects come in?

Within a couple of years, big projects like Kali Gandaki A will be completed and we will have excess power. The NEA will find difficulty in selling more power at the current high rates. Even in

that scenario, transferring distribution part to the private sector would be a right decision. The private sector will not only look for



new buyers and create new demands within the country; they can also negotiate selling power to consumers in India across the border. NEA then can reap benefit whether there is shortage of power or even if it has surplus power.

Can our industries absorb the recent hike in power tariff?

The industries that have to compete with imports from India or those who export their products to India will find it quite difficult. But those competing with imports from third countries or those who export their goods to third countries may be able to do so. At a time when new generation, digital equipments are being used by the industries they need dependable supply of good quality power. So, by ensuring good supply, good quality and appropriate tariff, the state would be helping in industrialization in the country. For this, we need to have concrete programs. Handing over the distribution to the private sector would be one of them. It would be easier for industries to absorb recent tariff hike if the quality and reliability of power were also enhanced. The NEA should introduce a system of giving rebates if it fails to provide uninterrupted supply of good quality power. This would make them more responsible and accountable too. ■

'Koirala Resigned Due To Army's Role'

— MS. SHAILAJA ACHARYA

A senior leader of the ruling Nepali Congress, MS. SHAILAJA ACHARYA was recently in the news due to her controversial remarks. She clarified her position in a tete-a-tete with Deshanter weekly early this week. Follows excerpts of the interview with the former Deputy Prime Minister and former Vice President of the NC:

On what basis did you say that Prime Minister Koirala resigned due to non-cooperation of the army?

Girijababu said in Biratnagar that he would tell everything about the circumstances (leading to his resignation). I hope he will put every thing before public in an appropriate time. So far as I know, he was compelled to resign due to the role of army (in the Rolpa incident).

Do you mean that the army defied the government orders?

You ask details with Girijababu. But it is true that he had to resign as the performance of the army in the Maoist insurgency affected area was not satisfactory.

Why is that Nepali Congress never could take the palace and army into confidence?

I don't know if NC could not win the King's confidence. I think there was an environment of confidence between late King Birendra and us. King Birendra never violated the sphere of the constitution. Now, we have got King Gyanendra who is new to the throne. We still have to see his reign.

Why did GP Koirala not tell everything to the Parliament?

You better ask with him.

Why is that all the governments here are short-lived?

None of the governments in the past 11 years could complete their full term. The fate of the majority Nepali Congress government is well before us. No government could transform the lives of the people due to infighting, feud and contradictions within and among the political parties. That is why questions have been raised now even at the parliamentary system adopted by the country. We can't rule out

the role of different power centers in making or unmaking different governments. Our parliamentary system now stands now at a very critical juncture. There is a need of national consensus to resolve the problem of Maoist insurgency. Such a consensus should be evolved within the parameters of the present constitution.

So, what kind of amendment should be made in the constitution?

Nepali Congress can never compromise against the constitutional monarchy, parliamentary democracy, sovereignty on people, rule of law and fundamental rights of the people. barring these issues, if they (the Maoists) have right and concrete agenda for bringing about total change in socio-economic-cultural spheres, then that can be discussed. If there are any impediments in the existing laws or constitution in that direction, necessary revisions can be made on the basis of national consensus.

Why did you propose KP Bhattarai as the consensus candidate?

I am against division within my party. If we undergo any sort of division now it will have very adverse impact. I proposed Bhattarai's name to avoid any division. He is a very matured and experienced politician. I proposed his name as he could give a matured way out to the country from the present political crisis. But I could not succeed.

What about Sushil Koirala?

Sushil himself wanted (Sher Bahadur) Deuba as the Prime Minister. He knew that he could not defeat Deuba but decided to contest and did not accept Bhattarai as a consensus candidate. I am not in a position to tell more. All I could say is Deuba and Sushil are two sides of the same coin.

What do you mean by saying that both army and King trust premier Deuba?

If the present government fails to resolve the problem of Maoist insurgency then the future alternative will be either the army or the Maoists. The situation is such that you needed to win trust of both the

army and the Maoists to become the Prime Minister. This is what I said but media misquoted me.

Why are your critical of Mr. Deuba—since he is junior to you in the politics?

Of course, he is junior to me in the Congress politics. I don't envy him. But I have got reservations toward his style of functioning. You know what type of distortions took place during his first tenure as Prime Minister. The culture of Pajero and selling and buying of lawmakers was brought in during his tenure. Now, I have got full support and good wishes toward him. I would like to appeal to all the Congress workers and leaders to cooperate this government to take the country out of crisis.

From where do you see the threat to democracy—from the palace and army, foreign powers, Maoists or political leaders themselves?

From all of them All these forces an opportunity to play here due to our mistakes and inefficiency.

Do you see the Maoists committed to the country?

Personally, I don't know their leaders. Many among them may be honest people. But looking at the way they are perpetrating the politics of murder I think there are people with ulterior motives.

What will happen if the talks between the government and rebels fail?

The politics of confrontation will start and then, it will be very difficult to protect the multi-party democracy. The army and Maoists will come face to face if the talks fail. That will be the most unfortunate situation for the country.

How do you see the new cabinet formed by premier Deuba?

It is the old wine in a new bottle. ■



NEPALI

Literary History

Nepali may have descended from Sanskrit, but it pulsates with the culture and traditions of the country

By AKSHAY SHARMA

The growth of Nepali into a modern unifying language that has brought together the kingdom's diverse ethnic and linguistic groups is a story that is firmly intertwined with the evolution of our nationhood. An Indo-Aryan language, Nepali is widely spoken in Sikkim, the northern districts of West Bengal, Uttar Pradesh, Himanchal Pradesh and Punjab. You can run into Nepali speakers in most of Indian cities.

Nepali was given recognition as a state language in Darjeeling, West Bengal, in 1961 and in Sikkim in 1974. In the late 1970s, it was incorporated into the Indian constitution as one of the local languages of the country. The language is also extensively used in Bhutan. As a Japanese sociologist says, "Nepali in a kind of a lingua franca used widely used in the Himalayan area."

The works of national poet Bhanubhakta Acharya and modern poet Laxmi Prasad Devkota are equally popular in both countries. "The birth and growth of the Nepali took place in Bharatvarsha, long before political boundaries separated India and Nepal," says linguist Kumar Pradhan. "The development of the Nepali language gained momentum in India after independence in 1947."

R.L. Turner in his book "A Comparative Study of the Nepali Language" writes, "The proof that Nepali is descended from Sanskrit rests upon the fact that many details of its grammatical structure find their explanations in the corresponding forms of the earlier language and much of its vocabulary, allowing for a regular correspondence of sounds between the two languages."

The language has been called by various other names like Khas Kura (the truth),

parbatee or parbattiya (people from the hills), Gorkhali or simply Bhasa. One 19th century document describes the language as "Giriraja bhasa" or the language of the king of the mountains.

Brian Hogson, a British resident in Nepal, writes of the 13 distinct languages that are found in the mountainous parts of Nepal. "The language is understood and can be traced to ethnic and linguistic origins," says Pradhan. "We can find different traces of the subordination of Tibeto-Bur-

and parts of south-western Tibet in the 12 century AD. According to Guiseppe Tucci, "The remains of the Malla empire (not to be confused with the Malla dynasties in Kathmandu) include a few epigraph in a language even cursory glances evinces to be an old form of Khasa-Kura of modern Nepal."

Pre-literate oral folk literature has disappeared from Nepal. Experts say these visualized works included a lot of songs, verses, stories, annals, proverbs and idioms. These idioms in Nepali literature can have existed along with the sophisticated Nepali literature that is in use now. This tradition must have carried the literature of yore with some additions and alterations, experts say.

Many Nepali researchers have taken on the task of collecting and collating the rich history of the language. The Nepali spoken in the eastern fringe of the country



Youth in violence : Lawlessness

man speaking Mongoloid by Indo-Aryans as the dominant theme in the composition of the people of Nepal," he says.

G.A. Giverson in "Linguistic Survey of India" and many experts preceding him discovered that all the Indo-Aryan languages south of the Himalayas have certain common features that were spread by the Khasas.

The Khasas carved a huge empire that included western Nepal, Garwal, Kumaun

may be significantly different from that spoken in the western end. Inflection and sentence structure can identify the geographic origins or the ethnic background of the speaker.

Those who are acquainted with Nepal's villages and their people can imagine the kind of fusion of culture, literature, tradition and outlook that must have gone into creating the language as it is written and spoken today. ■

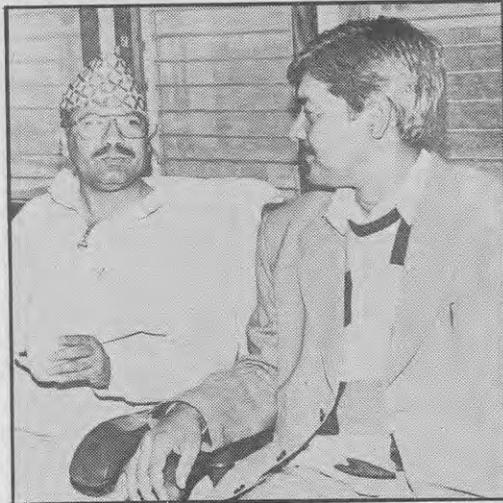
COMMUNIST PARTIES Divided They Stand

Nepalese communist leaders agree to form a national forum, but nobody knows how to proceed

By A CORRESPONDENT

When CPN-UML leader Madhav Kumar Nepal and CPN-ML leader Bam Dev Gautam embraced each other at a recent public function and called for the formation of a united left front including the Maoists, there was a sense of disbelief and joy among the representatives of more than 12 communist outfits assembled there.

Three years ago, Gautam broke away from the CPN-UML to form his own party, the CPN-ML, accusing his former colleagues of being anti-national and agents of



Nepal (left) and Gautam: Unity for division?

Indian expansionism and American imperialism. Today the rivals agree that Nepal's heavily splintered communists need to forge a loose alliance to fight against what they see is their common enemy, the Nepali Congress.

That is not an impossible quest. Seven left parties form the United Left Front in 1990 and joined the Nepali Congress-led movement to overthrow the partyless Panchayat system.

"Nepalese communist forces have shown that left unity can turn any impossi-

bility into the realm of the possible. From Maoists to ourselves, communists are here to stay as a major force in Nepalese politics," thundered Gautam.

In response to Gautam's call, Nepal urged his communist colleagues to develop a formula acceptable to all. "We can join a common platform by arriving at a minimum understanding," Nepal said.

After the two major communist parties proposed an alliance, smaller communist parties are worried about retaining their separate existence. Radical communist parties like the United People's Front and the National People Front have already called on all left parties to firmly adhere to the spirit and principles of communism before developing a joint left front.

"Unity among communist parties should be based on communist ideology. We don't want to join a left front just with an objective to grab power," said Amik Sherchan, president of the United People's Front.

Smaller but older communist parties like Nepal Communist Party (United) nevertheless see a future for such an alliance. "If all communist parties agree to form a joint forum, we would be in a better position to advance our common agenda," said Bishnu Bahadur Manandhar, senior communist leader.

Even if there is a clear possibility of forming a left front to attain their long-term interests, Nepal's deeply divided communists will take several years to attain their goal. At a time when divisions are often based on personalities, rather than policies, a united front would seem to be a dream. But it is also becoming clearer that the communist leaders seem to be realizing that they cannot expect to maintain the status quo in today's rapidly changing global environment. Therefore, even if unity seems to be just a dream, senior communist leaders feel it is still one that is worth chasing. ■

GREEN NEPAL PARTY Consensus Call

The Green Nepal Party calls for national consensus to resolve the Maoist problem

After the new government of Prime Minister Sher Bahadur Deuba and the Communist Party of Nepal (Maoists) called a truce, a group of intellectuals have come out with the conclusion that big parties alone would not be able to find a lasting solution to the six-year-old insurgency.

At a meeting organized by Green Nepal Party, intellectuals and leaders of small political parties urged the government to hold a national conference including all political parties, human rights activists and intellectuals to draw up a blueprint to end the insurgency that has claimed around 1,700 lives.

The intellectuals and political leaders insisted that the country's major political parties failed to make serious efforts to improve the living condition of people. Instead, they were involved in corruption and politics of personal gain, which helped fuel widespread public disenchantment.

"At a time when the Maoists have given up their demand of a republic, efforts should be made to form an all-party interim government to solve the insurgency," said Kuber Sharma, president of the GNP. Presenting a paper, Sharma proposed a progressive economic policy, reforms to the election process, rewriting of the constitution, depoliticization of the administration, and the creation of laws to confiscate the property of politicians who have enriched themselves through illegal means after the restoration of democracy in 1990.

Former prime minister Kirtinidhi Bista, Rastriya Prajatantra Party (Nationalist) president Rajeshwor Devkota, CPN-ML leader C.P. Mainali, former minister Shailendra Kumar Upadhyaya, among others, emphasized the need for evolving national consensus to resolve the Maoist problem. ■

YOUTHS

Learning To Live

Since every human being is different, it all comes down to the basic question of personal survival

By AKSHAY SHARMA

The 'me-first' ethos of city life is striking deeper roots in Kathmandu bogging down the people. "It's a ghetto kind of lifestyle that is the most intriguing part of the problem," says psychologist Bipin Jangam. "It is a prevalent nature in leaders, because once they come to power they tend to seek economic benefits that can be easily attained."

However, the problem has far-reach-

ing effects. Instead of doing something for a cause, people now seem to be more focused on their own well being. "In my opinion, my first focus would be my career. After that, I feel that I have to do something for my family," says 28-year-old Sudhir Serchan who works at the Radisson Hotel. "I have to build my social status and earn money first, then I look to society as a whole."

"Friends play a vital role in my life and the family follows you throughout your life," he adds. "My old circle of friends will be there for me and I have to stay far from the friends that are into anti-social activities because I do not support these kind of activities. It is nice to share thoughts with old friends. They come from different backgrounds and the ideas we exchange and share are my treasure."

Those still guided by the idealism of a higher calling find themselves hardly able to step off the ground. Pawan Rai, 30, says: "I have a quest for knowledge and want to feel the human activities happening around me. But it is strange, because every human being is different. I want to

do something for the country as I see the youths being victimized. The elder generation, instead of focusing on the development and nurturing of the youths, are acting as if they are the young. So I am confused as to what I want out of life."

"I know I have to go in parallel with my family and friends otherwise, it would be almost impossible to survive. Well, I know it will be a battle for survival," he adds.

"It is I who must be strong first. Then come others things like family, friends, country," says 19-year-old Pradeep Thapa. "The whole equation is centered on this. Times have changed and the feedback the young are getting from the older generation is not satisfying. It is not the world it used to be."

"If you are a doctor, the elder generation will generation will definitely accord you importance. But in this world of steel-eyed death and men trying to get reborn, education doesn't count at all. The elders should see the talent in the youths and give them a chance," says 40-year-old Amrit Lama.

"Life is beautiful and my happiness lies in the needs I fulfill," says 31-year-old Amir Ratna Tuladhar. "Things like friends, family and country will follow you throughout your life. You have to set your targets according to what you want. And whether you get it or not it is a different matter."

He believes elders have a kind of ego feeling. "They want to hand over things to the youths in their own particular way, but it does not happen in minutes. That seems to intimidate them," says Tuladhar. "If someone is an expert in something on he has worked for 20 years, he'll not step down easily. But he doesn't know that his refusal may be squandering the efficiency and talent the youths bring."

Siddhartha Sharma, 25, says every human being is different and it all comes down to survival. "Darwin's theory of the survival of the fittest might not work in this cruel world. If a mouse could eat a cat, he would certainly do it." ■



College students : Future uncertain

ADMINISTRATIVE LAW

Insightful Input

A volume on administrative law helps students and the general reader better understand what underpins good governance

By A CORRESPONDENT

At a time when Nepal is in the process of developing modern institutions suitable to the parliamentary form of government it has adopted, the country requires people with a clear idea of how institutions of state function and the respective roles they are expected to play. To prepare an informed citizenry, books and ideas need to be easily available and accessible.

Amid this process of detailing the roles, structures and functions of the constitution and constitutional process, Keshav Raj Pandey has come out with a book on administrative law. Although

Unlike other South Asian countries, Nepali is the only official language of our court system. In this situation, a book in Nepali would definitely prove helpful to foster a better understanding of good governance and accountability.

"We have an exhaustive book written on administrative law in Nepali language," said Supreme Court Justice Laxman Prasad Aryal, launching the book.

Every democratic country has its own constitution based on certain universal values. Administrative law defines the role and

curriculum of master's degree in public administration, it helps administrators and students of law to broaden their understanding of the importance of administrative law.

"Understanding administrative law is very important in the process to uphold the spirit of rule of law in the country. When a group of people are holding the gun and terrorizing the state, such understanding becomes all the more necessary," said Attorney-General Badri Bahadur Karki.

"One of the important aspects of the book is that it explain theoretical aspects of administrative law in explaining the Nepalese experiment," said Kashi Raj Dahal, secretary of the Judicial Council.

Although there are many places for improvement, Pandey has made a commendable effort in bringing out a book on such a vital subject in Nepali. ■

Administrative Law
Written by Keshav Raj Pandey
Pages: 400
Price: Rs.300
Published by Gurung

books of various kinds on the subject are available, this is the first time a Nepalese writer has made an effort to explain the theoretical as well as practical contents in the Nepali language.

Administrative law is itself a vague and complicated subject, consisting of the functioning of governance and other areas. In the five-decade practice of democratic government, Nepal has made many remarkable achievements in this area. This is what Pandey explains in his book.

Explaining the practices and theoretical aspects of administrative law in the Nepalese context is not an easy task.

functions of the various state organs as well as their limitations and strengths. In upholding our democratic exercise, key players need to have a thorough understanding of the different aspects of the rule of law and other functions of the state.

Although the book is based on the

Picturesque and Peaceful a Pilgrimage with Pleasure

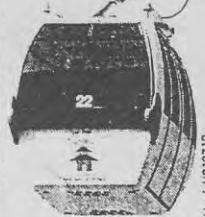


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By M.S.KHOKNA



TRANSITION

NOMINATED: Michael Malinowski, as the new US ambassador to Nepal by US President George W. Bush.

LEFT: US Assistant Secretary of State for South Asia Christina Rocca, for Pakistan, after completing a three-day visit to Nepal.

Director-General of the United

Nations Educational, Scientific and Cultural Organization Koichiro Matsura, after completing an official visit to Nepal.

APPOINTED: MP Tek Bahadur Chokhyal, as chief whip of the Nepali Congress parliamentary party, by Prime Minister Sher Bahadur Deuba.

DECLARED: Ramesh Poudel (Tanahu) and Hemraj Adhikary

(Arghakhanchi) first and second, Shanti Subedi (Nawalparasi) and Harisharan Thapa (Bhaktapur) joint third by Royal Nepal Academy in National Poetry Festival.

PUBLISHED: Tribhuvan University results of master's degree second year (psychology and culture).

Kathmandu University results of MBA (1999-2001 group).

AWARDED: Young mountaineer Temba Tsheri Sherpa, who set a world record by becoming the youngest person to climb Mt. Everest, with Best Youth Award 2058. Miss Raj Kumari Limbu with the Young Entrepreneurship Award, Miss Sushmita Kandel with Special Honor.

WITHHELD: The decision to remove 20-year-old vehicles from Kathmandu Valley by His Majesty's Government. ■

PHOTOGRAPHY

Wide Angle

The growth of the media over the last decade has widened the field for professional and amateur photographers

By AKSHAY SHARMA

The growth of the private-sector media over the last decade has seen an expansion of opportunities for professional photographers. Photojournalists scurrying in and out of news conferences and feverishly clicking their buttons at public functions have inspired a generation of younger aspirants.

"The number of people interested in photography has almost doubled in a decade," says Bimal Satyal, a seasoned photographer. "The numerous contests for amateur photographers have sharpened the focus on cameras."

But there are difficulties that are not easily understood. "Photographers are at a disadvantage. Painters start with a blank canvas and add only what they want, while the photographer must eliminate other distractions like clutter, phone lines, graffiti," says Kajun Piya, an amateur photographer. "By reducing the scene to its lowest common denominator — while emphasizing shape and pattern — you can create images with dramatic impact."

Piya adds: "Nepal is the cheapest place in the world to buy cameras and accessories. And newspapers now are giving professional photographers a wide open field."

The art of photography depends on lens choice, light, color, contrast and shooting angle. "The silhouette of a dormant tree in winter or the outline of an airborne flock of geese at sunset needs no explanation as to what they are. Their forms are familiar, yet often deemed mundane. By learning how to integrate shape, form, texture, lines and patterns into an image, a whole new world of photography unfolds," says Nikhil Shrestha.

Dhorje Lama, a professional lensman, says: "Isolating a single object

or its parts against a clean background is a good starting point to produce successful images of shapes and patterns. Learning to see how form echoes itself or how it links to its surroundings is another starting point. The final outcome can be symmetrical, off-balance, or even chaotic. The key is to realize how shapes play off one another to create the effect you want."



Manokamana temple : Perfect composition

Piya says: "By adjusting the camera angle, you can create a diagonal composition. I often do this in my flower photography. Rather than present the image as a static vertical, I tilt the camera so the photo depicts the flower as if it was growing diagonally."

Dhorje adds: "When making photographs where lines become the primary focus, the key is to depict some sort of motion. Whether it's the tranquility of a horizontal line or the locomotion of a diagonal one, the conveyed movement directly affects the suc-

cess of the image. Observe how lines interact with one another and how they move from one direction to another. Look for unusual camera angles to offset them in unique ways. Finally, try combining different types of lines into a single photo."

"Shooting tall buildings in their entirety is fine, but this often results in a clichéd image. By isolating sections, juxtaposing other buildings against them, or finding reflections on their surfaces, you can create even better images," suggests Dhorje.

The world is jam-packed with texture, yet this is often overlooked as a photographic subject. "To help train your eye to find them, walk through a forest, your backyard, or the nearest local park. Without your camera, look closely at every object; study the surface of a single item or the interconnectedness of many. Learning to see textures is the first step to opening a new door to your photography," suggests Dhorje.

"Lines, patterns, shapes and textures can all be recorded in both color and black-and-white. Color shooters have a distinct leg up because they can make an image with one color that flows into another to create the pattern. Given black-and-white's abstract quality, images can be interpretations of reality that emphasize graphic qualities of light and form," says Mahesh Manandhar of the Universal Studios at Dillibazar.

"To use black-and-white productively, you must learn its characteristics: this film interprets all that it sees in shades of gray. The more extreme these tones become, the more effective the pattern or texture can be. As the contrast between bright whites and deep blacks increases, you can infer more shape," he adds.

"Each photographer has his or her unique way of seeing the world. Some see it through telephoto eyes while others view it with wide-angle ones, but almost any lens can be used to capture patterns, shapes, textures and lines," says Manandhar. "As your eye becomes trained to see these compositions, you'll find you can use any lens to successfully record them. ■"

Now In Town

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- WTO Regional Cooperation and Nepal
Horst Mund/1999 Rs. 160.00

(Source : Himalayan Book Center, Bagh Bazar, Kathmandu, Ph : 242085)

Video (English)

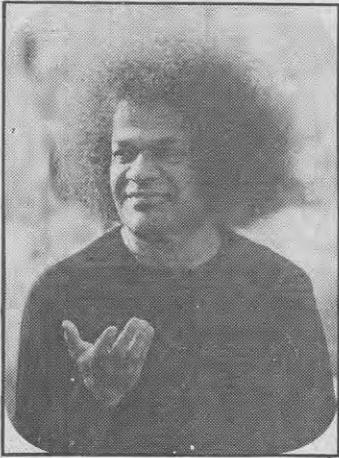
- Scary Movie II
- Scream 4
- A.I
- Final Fantasy
- Jurassic Park III
- The Lrmars
- amorphosis
- Meit Down
- Battle Queen 2020
- Fast & Furious



Hindi

- Yaaden
- Tum Bin
- Aks
- Love Ke Liya Kuch Bhi Karega
- Bas Itnasa Khawaab Hai
- Pyar Tune Kya Kiya
- Albela
- Badar
- Pagalpan
- Lagaan

(Source : Super Star Video, New Road)



*“The end of
knowledge is love
The end of education
is character.”*

- SATHYA SAI BABA

HAGAR THE HORRIBLE



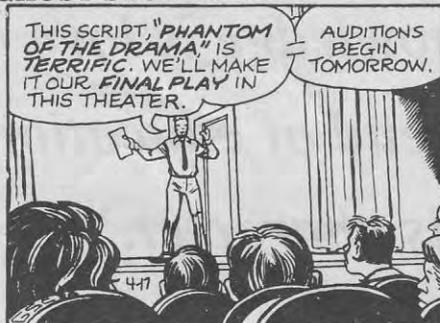
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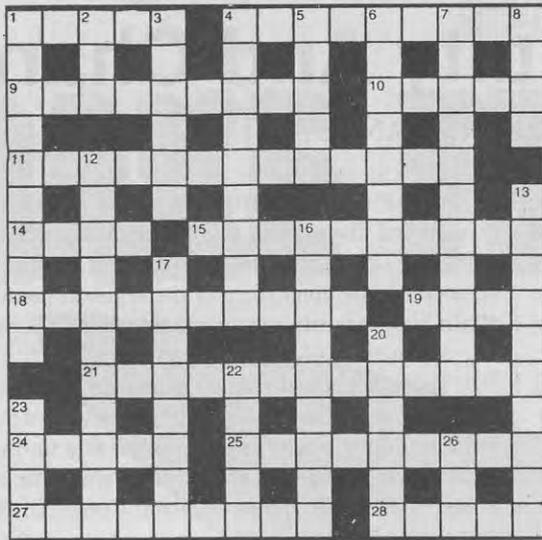
GARFIELD



GHOST STORY CLUB



CROSSWORD



ACROSS

1. Before opening of dump litter is turned away (7)
5. A bit of an ass, this Biblical slayer (7)
9. Question brief announcement of train (5)
10. Girl short with chap belonging to rigger club (9)
11. Disguise one's writing in enclosed poem (6)
12. Priest working, for example, to back reputation (8)
14. Senior citizen job center left to fade away (5)
15. Larks making deceptive turns aloft (4,5)
20. Camp, say, where you can park for a drink (5)
22. Where the traveler may get out in France? (5,3)
24. Stripe could be assessment of military status (6)
26. Added notes, changing to andante (9)
27. Sending-off from English team the Spanish overturned (5)
28. I speak slowly at first, looking into gift, perhaps, when retiring (7)
29. Girl informed about source of vitamin C (4,3)

DOWN

1. A cheese needed for game starting off outside (9)
2. Removed coat to be taken to the cleaners (7)
3. Veronica runs away from drunken party to be at home? (9)
4. Small amounts of flounders, for example (4)
5. Makeshift panel tampered with (4-6)
6. Shawls in box wife picked up (5)
7. Nothing to be binding in this judgement (7)
8. His draws always turn out to be winners (5)
13. Inform on Jack as a thief (10)
16. Cheerful quality appropriate to a Marine? (9)
17. Dump old crate here (5,4)
19. Factor in many a battle (7)
21. Knight wearing glittering decoration (7)
22. Noisy exercise in wooded area (5)
23. Have some shown a talent from birth? (5)
25. Make new effort to go up river (4)

Across: 1. Refused 5. Jawbone 9. Queue 10. Barbarian 11. Encode 12. Prestige 14. Oldie 15. High jinks 18. Time-lapse 20. Lager 22. Wagon-lit 24. Sitrep 26. Annotated 27. Exile 28. Drawler 29. Rose-hip

Down: 1. Roquefort 2. Fleece 3. Speedweel 4. Dabs 5. Jury-rigged 6. Wraps 7. Opinion 8. Ernie 13. Shoplifter 16. Jolliness 17. Scrap heap 19. Magenta 21. Garnish 22. Weald 23. Natal 25. Ode

NOITLUS

BRIDGE

3-15

NORTH

♠ K 10 6 3
♥ A Q 8 6 2
♦ K 9
♣ 10 7

WEST **EAST**

♠ J 8 7 5 2 ♠ 4
♥ K 5 3 ♥ 10 9
♦ J ♦ Q 10 7 6 4 3
♣ A K Q 3 ♣ J 5 4 2

SOUTH

♠ A Q 9
♥ J 7 4
♦ A 8 5 2
♣ 9 8 6

Vulnerable: Neither
Dealer: East

The bidding:

East	South	West	North
Pass	Pass	1 ♠	2 ♥
Pass	2 NT	Pass	3 NT
All pass			

Opening lead: Club king

“All men are the same. They take no notice of the stag in the thicket because they’re already chasing the hare.”

— Jean Giraudour

“I played for K-x of hearts with West,” explained a defeated South. “Since he had bid spades and cashed four clubs, he might have held only two hearts.”

“Perhaps,” replied North. “But there was something you failed to notice. You overlooked an opportunity to get an accurate count.”

Trying to protect his spade queen from immediate attack, South bid two no-trump, and North raised optimistically to game. However, West led clubs, cashing all four clubs after East unblocked at each turn. West then shifted to a diamond, won by South’s ace.

A heart finesse to dummy’s queen was successful, and South visualized 10 easy tricks if West’s heart king were doubleton. So he cashed dummy’s ace and lost his game when West’s king did not drop.

What did South fail to notice? When dummy’s heart queen held, East dropped the nine. Was it a clever flashcard from 10-9-x, or was it from 10-9 doubleton?

To succeed, South cashes dummy’s diamond king and leads a spade to his queen. Gaining an accurate count of West’s distribution, South knows what to do. Holding five spades, four clubs and only one diamond, West must have three hearts. And instead of vainly trying for K-x in hearts, South takes his only chance and runs his heart jack. South’s jack obliterates East’s 10, and dummy’s heart suit runs whether or not West covers. South then wins five heart tricks and claims his ambitious game.

Indo-Nepal Relations Ought To Embody Continuity And Change

By NISHCHAL NATH PANDEY

There is no dearth of diehards that argue that Indo-Nepal relations has lately been stagnant. But geography, religion and culture that influence the relationship between our two countries which is in itself multifaceted and intricately woven at the people to people level badly needed a pause for rethinking, a breath of fresh air for future planning. Hopefully there will be a realization that both have no other alternate but to have a relationship based on confidence, trust and interdependence and the relationship should be able to reflect both the essentials of continuity and change.

One very salient factor that we in Nepal appear to be nonchalant about is the conduct of India's international relations especially with regards to its dealings with neighbors. Neighboring countries have constantly comforted themselves with the widely circulated view that the South Block is the dominant factor in both framing and carrying out New Delhi's ventures in the domain of foreign policy and that the possibility of enticements, nudges and pressures simply do not exist. Various incidents and diplomatic overtures by New Delhi in the past did give the impression that the above mentioned anecdote was after all true.

With the advent of "the most representative form of government" in India with more than 13 political parties sometimes coming together to form the government or support it from outside, there are analysts that reason out a sort of a tweaking going on as far as the behaviour of India's foreign policy, especially neighbourhood policy is concerned. The most striking illustration of this was evident in the midst of the crisis in Sri Lanka after the rebel forces took over the Elephant Pass. Some influential politicians in New Delhi were reportedly attempting to prevent their leadership in taking decisions, which would have been widely viewed as being anti-LTTE. In fact, the DMK, which just lost power in the southern state of Tamil Nadu, has always been understood as having sympathy for the LTTE. The party's official website goes so far to state that "Dr. Kalaingar (one of the senior most of the party) having dedicated himself for the life and freedom of Tamils wherever they live, pursued all diplomatic efforts to defend the Tamil race and their rights, provided necessary assistance to all Tamil organisations in Sri Lanka and mobilized support among the political parties in India for the cause of Sri Lankan Tamils".

Interestingly, the Samajwadi Party states also in its website that it "is in favor of Indo-Pak-Bangladesh Mahasangh" whatever this means. But other than these, very few parties that have a stronghold in one or two states really give their beliefs and viewpoints that would affect foreign relations of India. Other political parties, especially of the south are in fact concentrating more on the welfare of their state through building their state's economy. The regional parties that had to endure constantly the risks of take-over of the state administration by the centre have today become powerful even to the extent of possessing the actual control over the survival of the government at the centre. A strong centre that was envisaged by the framers of the Indian Constitution; by virtue of the Indian voters

might be a thing of the past. "With the all-India parties getting weak, divided and disoriented, it is the regional parties which have acquired the upper-hand. If the dominance of the centre was bad for democracy, the dominance of the regional parties even in central affairs poses a positive danger to the centre" (S. Sahay, *Federalism: The Ascendancy of Regional Parties*).

There can actually be no disagreement between regional desires and national interest but with the advent of the regional parties in India, Nepal ought to touch upon this un-trodden area of relations vis-a-vis India. There are several difficulties with regards to this: Firstly, the Indian National Congress, BJP and the Janta Party-Janta Dal that have gone to power at the centre have had emotional relations with Nepal because of their weighty clout in Uttar Pradesh, Bihar or even West Bengal. Besides, some of our own leaders have enjoyed personal rapport with the senior politicians of these parties. But, the parties of the south hardly possess any knowledge of Nepal let alone any type of sentimental contact with the country or its people. Therefore, it is going to be difficult for us in the context of increasing number of central level politicians coming in straight from the south. Here, it must be understood that unlike politicians like P.V. Narasimha Rao, C. Subramanyam and P. Chitambaram the present-day politicians are inexperienced as far as central level politics is concerned.

These potent changes taking place in the Indian polity can have obvious repercussions in Indo-Nepal relations. Besides, the carving out of Uttaranchal and Jharkhand from two of our neighbouring states, although Jharkhand is not connected with our border will bring to light yet another dimension that could affect us in some way or the other.

Current Indian Prime Minister Vajpayee after a visit to Nepal from 14-16 July 1977 as Minister for External Affairs had told the Lok Sabha upon his return that "during the talks (with the then Prime Minister Dr. Tulsi Giri, Commerce and Industry Minister Pitambar Dhoj Khatri and Foreign Minister Krishna Raj Aryal) the projects of Karnali, Pancheswor and Rapti were discussed". He further stated that "it is proposed to build a hydro-electric project at Karnali, which would generate 2000 megawatts of power. It appears that Nepal and India would not be able to complete this project with their own financial resources, therefore it would be necessary to obtain international funds."

Exactly 24 years later, the two countries are still talking about the same projects and undertakings as if they were very fresh, innovative ideas. The current pause for re-thinking should serve as an eye-opener and a catalyst for a modification in our conduct of our India policy. If it is for the common welfare of the peoples of both the countries, we should not hesitate to venture into fields that were thought to be out of bounds till recently.

(Author is Researcher at the Institute of Foreign Affairs).



MAKE FRIENDS !

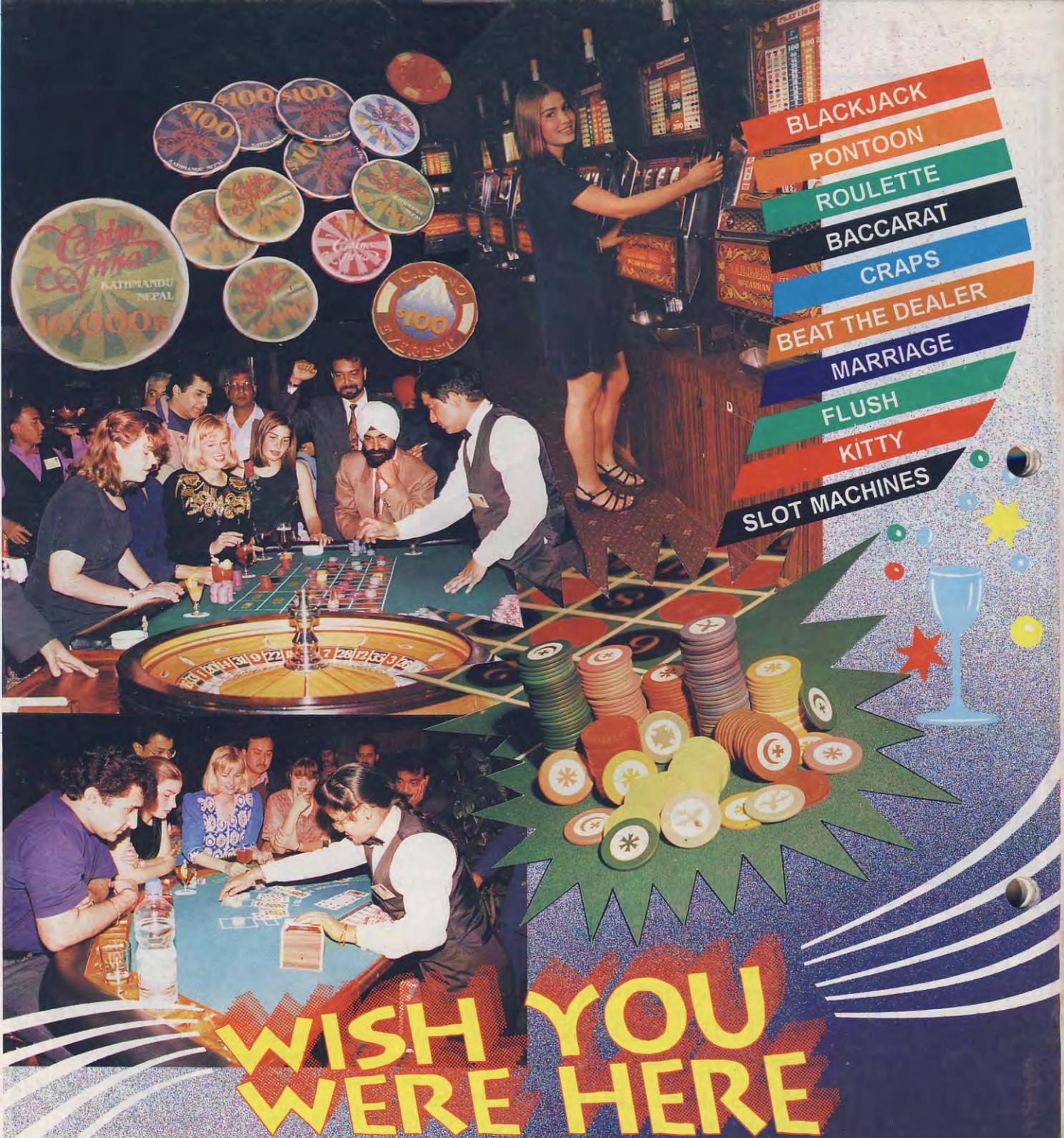
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