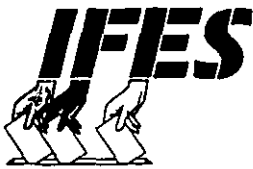


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The 1991 Nepalese Elections

A Pre-Election Survey

November, 1990

Team Members

Mr. Lewis R. Macfarlane
Professor Rei Shiratori
Dr. Richard Smolka

Report Drafted by Lewis R. Macfarlane

*This report was made possible by a grant
from the U.S. Agency for International Development*

*Any person or organization is welcome to quote information
from this report if it is attributed to IFES.*

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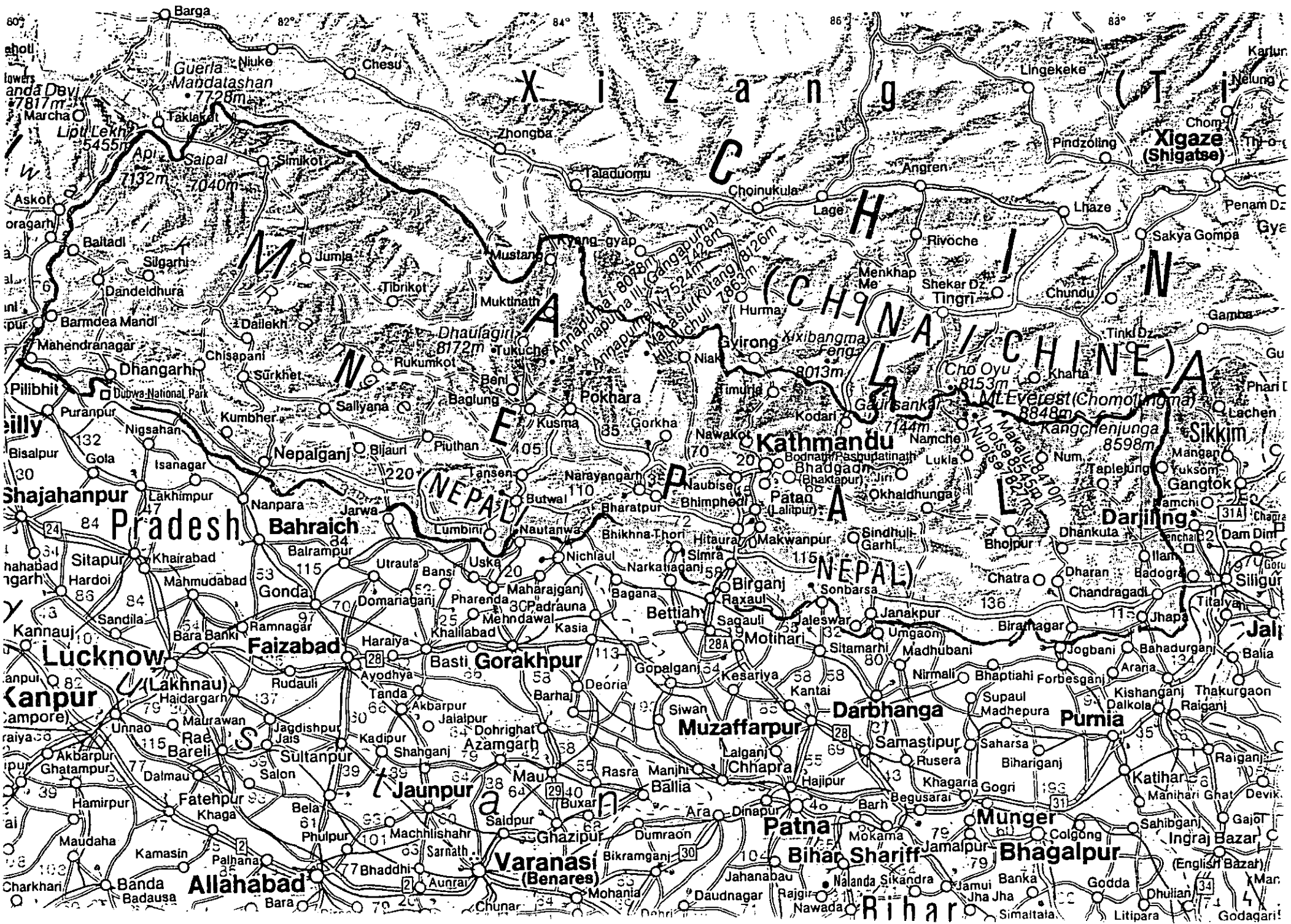
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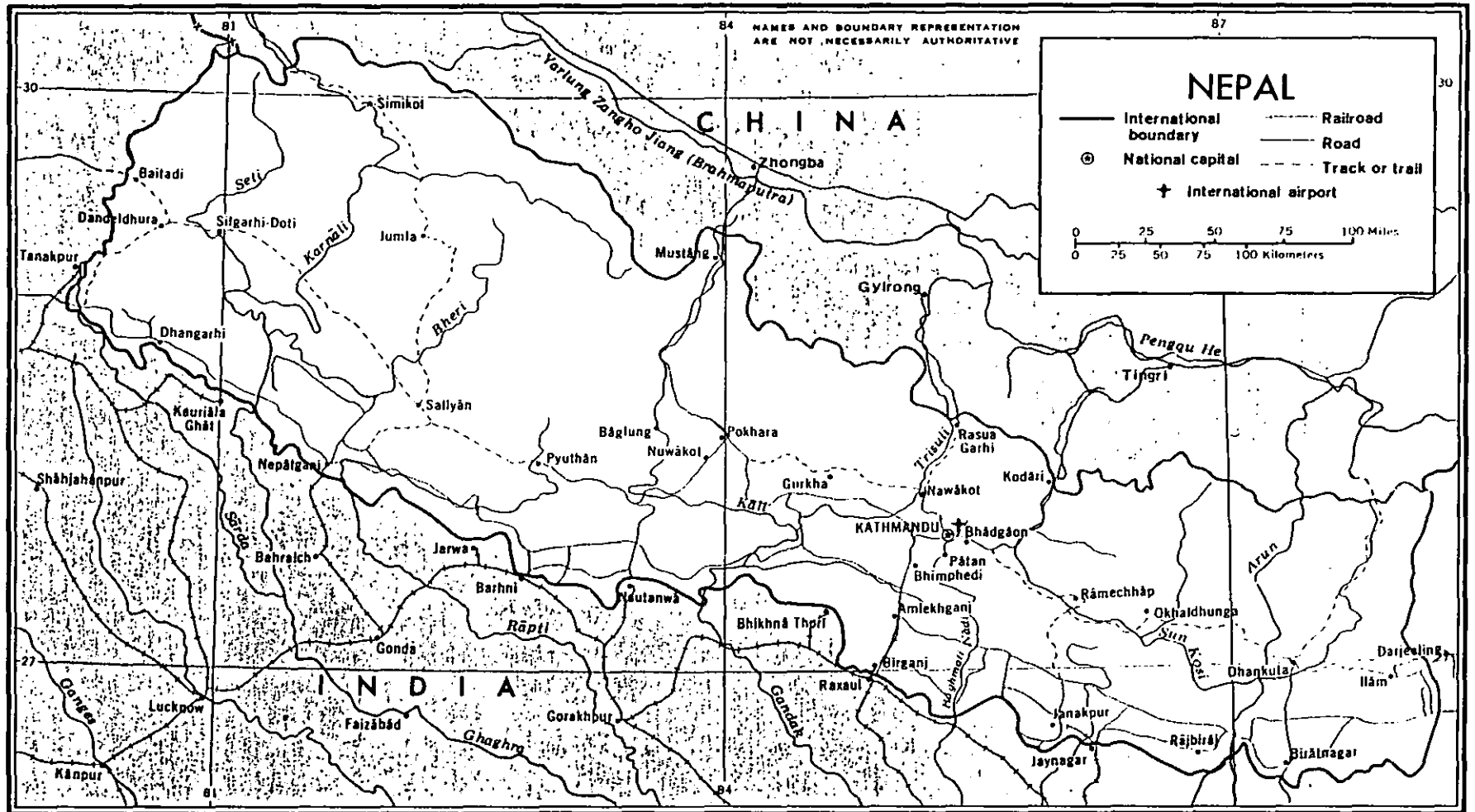
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Mission Statement

In the period October 24 to November 3, 1990, three IFES consultants conducted a pre-election survey in the Kingdom of Nepal. The team consisted of Mr. Lewis Macfarlane, an international affairs consultant and retired Foreign Service Officer who served as Deputy Chief of Mission and Charge d'Affaires in Nepal from 1985 to 1988; Professor Rei Shiratori, Professor of Political Science and Dean of Political Science, Tokai University, Director of the Research Institute of Social Sciences, and Chairman, the Institute for Political Studies in Japan (IPSJ); and Dr. Richard Smolka, Professor, School of Public Affairs, the American University, and author, editor and publisher of Election Administration Reports. The team was also joined from October 29 through 31 by Mr. William Oldaker, representing the National Democratic Institute. His questions and perceptions added an extra dimension to the IFES program while in Nepal.

The team visited Nepal under a grant to IFES from by the U.S. Agency for International Development. The team's responsibilities included:

- analyzing the current Nepalese political scene;
- consulting with local officials and leaders;
- reaching conclusions about preparations for Nepal's planned national elections, now scheduled for spring 1991; and
- identifying areas for possible pre-election technical assistance and/or observer participation in the elections.

With the indispensable facilitative assistance of USAID/Nepal and the U.S. Embassy, the team as a whole pursued a heavy and active schedule (see Annex H) including consultations with USAID and with the U.S. and Japanese Embassies; three formal and one informal meeting with Election Commission officials; nine meetings with representatives of seven political parties including a call on Prime Minister K.P. Bhattarai; two meetings with party-affiliated youth groups; a meeting with senior Nepalese political scientists; four meetings with important non-governmental organizations with election and/or human rights concerns; a one-day visit to two district headquarters outside Kathmandu; and a final briefing session with representatives of aid donors and principal non-governmental organizations (NGOs). In addition, social events organized in connection with the team visit (including a major reception and a separate dinner both hosted by the Deputy Chief of Mission), as well as other individual and group social occasions, greatly expanded the opportunity for numerous additional substantive meetings between team members and diverse Nepalis on election-related issues.

The team members and IFES extend their appreciation to all those whose assistance made this report possible.

Executive Summary

Introduction. The IFES team, which visited Nepal October 24-November 3, felt privileged to have been witness to fundamental change in the Kingdom's political destinies---and to have had the opportunity, through our presence and our discussions with a wide range of officials and private individuals, to underline the strong support of IFES and of the U.S. Government for the democratic process. Although we left before the promulgation of the Constitution and publication of a new electoral law, it was evident that the events of 1990 had produced a constitutional monarchy and set the stage for national multi-party elections, to be held in the spring of 1991---a fundamental break from the system which has prevailed over the past 30 years.

The Institutional Framework. Nepal's new constitution, promulgated by King Birendra only on November 9, provides for a monarchy with sharply limited powers, a bill of rights, an independent Election Commission, and a parliamentary cabinet system of government. Next spring, Nepalese voters will elect a House of Representatives from 205 single-member constituencies. The Prime Minister and most cabinet members will be drawn from the House. The apportionment of seats, while far more equitable than the distribution under the old constitution, still gives somewhat greater weight to votes cast in Nepal's hill and mountain regions. Voters, who must be 18 or older, will have the opportunity to vote for candidates who are representatives of registered political parties or independents. There are now at least 45 political parties in Nepal; the yet-unpromulgated electoral law will outline the requirements for party registration.

Prospects and Concerns. The Nepalese approach elections with a mixture of deep hope and a fair amount of apprehension. We believe that elections, while posing some unique challenges, will take place as scheduled. Nepal is fortunate to have not only an interim coalition government which enjoys broad support, but also a highly-regarded, professional and impartial Election Commission, which deserves very high marks for its preparations to date. However, the most difficult work lies ahead, compounded by a compressed time frame, resource limitations and other obstacles.

We found special concern that intimidation and violence may become serious problems as the campaign progresses, and that in some areas local administrative and police officials may be unable to cope with threats to peaceful elections. We also identified concerns, although less frequently stated, about the impact of unchecked money (some of it from foreign sources) on the process, about inaccuracies in voters' rolls, about possible shortfalls or inadequacies in certain election-related commodities, and about the consequences of voters' inexperience with elections in a multiparty context. In addition, there remain some important unanswered questions about basic election procedures.

Pre-Election Assistance. A number of governments and other organizations have assisted or are considering assisting Nepal in the election field; DANIDA's contribution has been of special importance. We concluded that technical assistance from IFES and other sources can significantly enhance the electoral process in Nepal. At the same time, we did not conclude that such assistance ---in view of the competency and seriousness of Nepalese officials ---was likely to be crucial to the process. The Election Commission has organized several national elections under the old partyless system, and we believe it will do a good job even if it does not receive the material support it desires.

Regarding possible IFES assistance, our resource limitations mandate selectivity. A major problem, unresolved as of the day of our departure, is the large number of government aid agencies and Nepalese and foreign non-governmental organizations which are contemplating programs, and the lack of coordination to date among these entities. For that reason, we have asked USAID to keep IFES apprised of coordination efforts, and to identify priority areas from the following list where they believe IFES resources can be used to best advantage.

Commodities and Technical Assistance. The IFES team has identified areas in which it is believed assistance will contribute to the goal of free and fair elections. The team's recommendations regarding commodities and technical assistance are outlined in detail in "Options and Recommendations," pp. 29 and 30.

Election Observing. IFES strongly recommends that arrangements be made for observing Nepal's elections and has outlined a number of criteria considered essential for success in this effort in "Options and Recommendations," pp. 30 and 31.

Glossary of Terms and Abbreviations

AID	Agency for International Development, Washington, D.C.
CRC	Constitutional Recommendations Commission. Body set up by royal decree, disbanded as a result of popular pressure, and reconstituted based on recommendation from the interim government 30 May 1990. The CRC's main responsibility was to collect opinions and views on form which new Nepalese constitution should take.
DPI.....	Democratic Pluralism Initiative, initiated by AID
GON.....	Government of Nepal
HMG.....	His Majesty's Government (of Nepal)
IBRD.....	International Bank for Reconstruction and Development (=World Bank)
IFES.....	International Foundation for Electoral Systems
MRD.....	Movement for the Restoration of Democracy. Name for pro-democracy movement mounted by NCP and ULF in February 1990.
NCP.....	Nepali Congress Party. Founded 1947.
NEC, or EC.....	National Election Commission
NGO.....	Non-government organization
NDP.....	National Democratic Party. Name of two parties founded in late May 1990, one headed by former Prime Minister Surya Bahadur Thapa and the other by former PM Lokendra Bahadur Chand.
Pancha.....	Partisan or participant in former partyless Panchayat system. Derived from name for number 5, referring to small group of local leaders who would meet to decide local issues.
Rastriya Panchayat	= National Panchayat. The lower house of the national legislature under 1962 Constitution
Tarai.....	Lowland area of Nepal along southern border adjacent to India. With about 1/5 of Nepal's total area, and an estimated 45-50 per cent of population, this region perceives itself to have been systematically underrepresented vis-a-vis Nepal's hill regions.
Third Amendment	Constitutional amendment promulgated by King Birendra in 1980, which provided for direct election to National Panchayat
ULF	United Left Front. Umbrella Organization of seven factions of the Communist Party, participant in interim government
UNDP	United Nations Development Program. UNDP resident representative in Nepal, jointly with IBRD resrep, chairs Nepal donor group.
USAID/N	United States Agency for International Development, Nepal

Historical Background

History to 1972

Nepal, politically unified by force by the 1760s, remains today a culturally and ethnically diverse nation of nearly 20 million people. During most of Nepal's modern history, the major national leadership issue has been the shifting balance of power between the Shah and Rana families, between the monarchy and other elites. Although there have been other periods---notably the late 1950s---when it appeared that the political system might be fundamentally reshaped and opened up to democratic forces, there is no precedent in Nepalese history for the developments of 1990. But the dramatic events of this year cannot be understood without the perspective of history.

Following Nepal's unification under Prithvi Narayan Shah, the Shah monarchy dominated until 1846. In that year, however, Jung Bahadur Rana led a successful revolt against the Shah dynasty which led to 105 years of a unique, hybrid political system: a largely powerless, symbolic Shah monarchy, with real power being exercised by a succession of hereditary Rana Prime Ministers. This autocratic, static system succeeded in maintaining Nepal's independence---but at the cost of near-total isolation from the rest of the region and the world.

This picture began to change in the 1940s. A national movement for political change began to appear even before World War II, manifested by the arrest, conviction for treason, and execution of nationalist "martyrs" in 1941. After 1945, indigenous pro-democratic movements were encouraged and aided by the independence movement in India, and Nehru and others appeared to have adopted the democratization of Rana Nepal as one of their regional objectives. The Nepali National Congress Party, established in 1947 as a democratic/socialist party, formed lasting ties with its Indian counterpart.

The 1948-50 period was marked by inept governance on the part of the Rana regime, examples being the unequal pair of treaties concluded with India in 1950 and steadily increasing domestic dissatisfaction with the status quo. Prime Minister Mohan Shumshere Rana remained deaf to expressions of concern from Nehru and his government that there must be reform in the Nepali political system. Events came to a head in November 1950 when King Tribhuvan and most members of his family took exile in the Indian Embassy, and then in India. This move triggered armed revolution by the Nepali Congress Party. By early 1951, it was clear from the King's resolve and the inability of Prime Minister Rana to govern that fundamental change must come. In February, what is now known as "the Revolution" was over: Mohan Shumshere

Rana was ousted and King Tribhuvan had returned to Kathmandu, installed a new interim government, and, with the Interim Government of Nepal Act (also known as the Interim Constitution), seemingly laid down a framework for government on a democratic, constitutional basis with heavy borrowings from the British model.

Despite the promise of 1950-51, however, the decade of the 1950s was a confusing period in Nepalese politics, and one which ended in frustration. The Indians continued their involvement in Nepalese internal affairs. Factional disputes among Nepalese politicians were endemic. King Tribhuvan died in 1955 and King Mahendra, who succeeded to the throne, played an activist role but was also less committed to the principles of constitutionalism and a limited monarchy than was his father. As a succession of civilian leaders came and went, Mahendra consistently resisted pressures for a constituent assembly to frame a permanent constitution, and the document finally promulgated in 1959 was a royal rather than a popular product. Despite protests about the reservations of royal power, Nepal later in 1959 held its first (and to date only) democratic national elections on a multi-party basis. The Congress Party won 74 seats of of 109 in the new national assembly and a government under B.P. Koirala was formed.

There ensued a tug-of-war between royal and democratic forces, highlighted by B.P. Koirala's challenge to King Mahendra's reserved emergency powers. In December 1960, Mahendra invoked those powers to dismiss the Koirala Government, arrest Koirala and other politicians, suspend the constitution, and ban political parties---on the grounds that Nepal's fledgling experiment in multi-party democracy had introduced an unacceptable level of discord, corruption and confusion, and that a fundamentally new approach to governing was required.

On December 16, 1962, King Mahendra promulgated a totally new constitution, which defined Nepal as a Hindu Kingdom and claimed to be based on Nepalese indigenous institutions (notably the panchayat, or council) and the unique needs and features of Nepalese society. Although many questioned that there was any historical basis for adapting local panchayats to institutions at the national level, the new constitution provided for a hierarchy of panchayats from village up to national level. Direct elections were to be held only at the lowest level of this structure, with members of each panchayat choosing members of the panchayat at the next higher level. The Constitution provided that "the sovereignty of Nepal is vested in His Majesty and all powers---executive, legislative and judicial--emanate from him." The Prime Minister and other members of the cabinet were drawn from the National Panchayat, leaving the King very broad powers to select and dismiss the government.

The Constitution of 1962 established the basic framework for

government over the next 28 years. It was clear as the 1960s progressed that, whatever misgivings democrats might have had, Mahendra had created a powerful system of governance. Many politicians left the democratic parties and joined the "partyless panchayat" camp. Others, staying in opposition, remained in a somewhat ambiguous situation whereby the King and government tolerated the outlawed parties so long as they kept a very low profile.

Modifications in the Panchayat System

Mahendra died in 1972, and was succeeded by the present King, Birendra, then 27 years old. Initially an unknown quantity, the young monarch proved to be an advocate of the status quo---but with a willingness to adapt and modify the system as circumstances required. The first years of his reign were relatively quiet and stable. This changed with student agitation and demonstrations in 1979, leading led to an announcement by King Birendra that a national referendum would be held on the question: "Should the existing Panchayat system be retained and gradually reformed, or should it be replaced by a multiparty system of government?" At the same time the referendum was announced, other liberalizing measures were also issued.

Some observers felt that Birendra's willingness to put the system to a vote of the people was a potential threat to Nepal's stability, while others felt that he would not have consented to a referendum had he had any doubt the partyless system would be vindicated. In the event, the 1980 referendum led to a solid if unspectacular 55.3-44.7% verdict in favor of the status quo. Some observers doubted that the outcome could be considered valid in view of the strong internal forces favoring continuation of the system; at the same time, there was limited criticism of the conduct of the election itself---and Congress leader B.P. Koriala, who campaigned for a "no" vote, declined to charge that the referendum was conducted unfairly.

Following the referendum, the King promulgated a Third Amendment to the 1962 Constitution, which provided for direct election of 112 of the 140 members of the National Panchayat (the remaining 28 to be appointed by the King) on the basis of universal suffrage. There was, however, to be no change in the fundamental principle of partylessness; all candidates for the National Panchayat(NP) would compete as individuals.

The first election to the National Panchayat was held in May 1981. While the Congress Party and other banned political parties boycotted the election, the campaign was carried out in an atmosphere of relative calm, with Nepal's Election Commission gaining credit for having conducted the election efficiently and

fairly. The turnout was over 60 per cent. Following the election, Surya Bahadur Thapa, a veteran politician who had been named Prime Minister following the student disturbances, was re-elected to the job.

Nepal's second nationwide elections took place five years later, in May 1986. Despite Congress-led protests against the partyless system the year before, leading to mass arrests, and some well-publicized terrorist bombings in June 1985 carried out by dissident India-based elements, the elections again, despite some allegations of intimidation and vote-stealing, were carried out without major incident across the country. Participation was 60.32% of all eligible voters. As in 1981, there was no serious problem with the conduct of the elections per se---but rather continuing and growing dissatisfaction with a system which excluded political parties and programs from the process. By contrast with 1981, when four candidates identified as "extreme" or "Marxist-Leninist" won seats, some 12 or 13 candidates in this category were winners in 1986.

The following year, 1987, local elections were held across the country. The results constituted something of a warning for the established system and its supporters. By contrast with previous elections, the Nepali Congress Party and also a number of Communist factions adopted a strategy which went beyond the "boycott" or "non-participation" formulas. In 1987, party leaders permitted their members to participate in the local elections as individuals---a distinction weakened by the fact that voters were well aware of these personalities and the party programs they represented. In urban areas and the Terai especially, individual Congressites and Communists did well and were returned to office in substantial numbers.

Forces for Change

At the beginning of this year, the partyless panchayat system---as modified and liberalized by King Birendra---still dominated Nepal, the object of opposition and derision from the non-Pancha camp, but seemingly unthreatened. In the space of months, however, its position eroded and then crumbled with bewildering speed.

Several broad trends contributed to this sudden transformation in Nepalese affairs. Certainly, the wave of democratization which swept Europe and Soviet Asia had a powerful impact on this mountain kingdom which, more and more over recent years, has found itself profoundly affected by foreign media, travelers, cultures, and other external influences from designer jeans to satellite news to hard drugs. Also important were democratic surges in Asian countries, from the Philippines to Korea to Burma.

Another factor contributing to disaffection with the status quo

was economic---described by one senior official as the "consistent inability of the system to deliver the goods in terms of development and a decent living standard." Nepal faces a daunting series of economic and development challenges---an overwhelmingly subsistence, agricultural economy, severe population pressure, massive deforestation and environmental degradation, the lack of readily exploitable natural resources, chronic dependence on foreign assistance, poor infrastructure, landlocked status, and a uniquely difficult terrain. Added to these, in the view of most observers, was a highly bureaucratic and inefficient central government which, despite gestures toward decentralization and local development, kept power in the capital and used it unwisely. Corruption remained widespread. As one acute observer---now a minister in the interim government---used to insist: "There is no hope of economic reform in Nepal without fundamental restructuring of the political system."

Nepal's economic woes were exacerbated in 1989 by a major dispute with India which resulted in the virtual economic isolation of Nepal and the throttling of economic relations with her major economic partner. While blame is divided, the trade embargo and border closures put the already pressured Nepalese economy under major new strains and reduced the credibility of the leadership (government and Palace) in Kathmandu. It is not excluded that this was one purpose of the Indian Government.

In January 1990, Indian political party leaders (including now Prime Minister Chandra Shekhar) attended a rally in Kathmandu's Thamel district organized by the Nepali Congress Party. The public discourse at that event set a new standard of political permissiveness, with speakers not only making repeated demands for fundamental changes in the system and a restoration of multiparty democracy, but personally deriding the King and his family---at one point comparing them with the Ceaucescus of Romania. Despite what transpired, the government did nothing to block or curtail the rally. The presence of senior Indian politicians, some of whom were in New Delhi's new governing coalition, at a time when a solution to the trade impasse was still being sought, was probably an important element of insurance. In any case, the success of this event was undoubtedly heartening to NCP activists and to other anti-panchayat elements.

Transformation: February-April 1990

February 18 is the anniversary of King Tribhuvan's return from India in 1951, marking the inauguration of Nepal's first attempt at multi-party democracy. In February 1990, it was the occasion for the first mass demonstrations in favor of the restoration of multi-party democracy---and, in retrospect, inaugurated seven turbulent weeks that definitively changed the Kingdom's political landscape.

The official events organized in Kathmandu on February 18 were disrupted by thousands of student demonstrators and, by day's end, it was learned that there had been demonstrations, and some casualties, at various points around the country. The following day in Kathmandu saw a strike and near-total shutdown of the city. These events marked the emergence of the "Movement for the Restoration of Democracy" (MRD) organized by the Congress Party of Nepal and seven branches of the Communist Party united under an umbrella organization called the United Left Front (ULF).

Widespread public agitation against the panchayat system continued, with manifestations in almost all hill and Terai centers, over the next weeks. Lawyers, doctors, teachers and other professionals joined political party activists and students as the MRD continued. Through March, despite scattered casualties in encounters between demonstrators and the police, there were no major confrontations. However, the tempo of protests and demonstrations kept up and, in early April, intensified.

Early on April 6, a proclamation by King Birendra made it clear that the weeks of public pressure had registered at the Palace. He replaced Prime Minister Marich Man Singh Shrestha's cabinet with a new four-man cabinet headed by former PM Lokendra Bahadur Chand, called on the new Council of Ministers to "consult with people holding different political views," announced the intention to create a Constitutional Reforms Commission and of a separate commission to investigate incidents that had caused the loss of life and property. But the morning's royal announcement did not forestall tragedy later the same day. Thousands of demonstrators from Kathmandu and surrounding communities flowed into the center of the city to attend a rally marked by strident criticism of King Birendra and members of his family. After the speeches, violence erupted at several points---notably in Durbar Marg in the city center, just south of the Royal Palace, where police opened fire on citizens. The death toll was at least 70. The next day, April 7, the government imposed an all-day curfew.

April 8 was an historic day in Nepal's modern history. In a late evening television announcement, a Palace spokesman announced that the King, who "has been initiating from time to time political reforms by regarding democratic norms and the political tradition based on the popular will as the main basis of the [political] system"...would receive the report from the Constitution Reforms Commission "with the partyless provision deleted from the Constitution of Nepal as desired by the people of Nepal." The ban on political parties was ended---and with it, the partyless panchayat system.

Events moved fast thereafter. The Congress and ULF made a joint demand for dissolution of the National Panchayat and the Chand Government, repeal of all constitutional provisions inconsistent

with multipartyism, disbanding of local panchayats, and other major reforms. The government freed all political prisoners, lifted controls on all domestic and foreign publications, and created a commission to investigate loss of life and property in the recent violent incidents. On April 16, a royal proclamation dissolved the National Panchayat and invalidated key provisions of the 1962 Constitution inconsistent with multiparty democracy. And the next day, the King named Congress Party President K.P. Bhattarai---a man with whom he had never had a substantive meeting, but who had spent 14 years as a political prisoner---as Prime Minister and head of the new interim government.

The Quest for a New Constitution

Further governmental reforms followed, but the focus shifted to the need for a new constitution. On May 11, the King unilaterally named a seven-member Constitution Reforms Commission composed of persons with loyalties to the NCP, ULF and monarchy. This was viewed in the new circumstances as an unacceptable exercise of royal prerogative, and the NCP and ULF mobilized large public demonstrations in protest. On May 15, the king dissolved the Commission and on May 30, following extensive palace consultations with Bhattarai and others, announced a new Constitution Recommendations Commission "on the advice of the interim government." This was still unwelcome to some political elements that had favored a nationwide Constitutional Convention or Constituent Assembly, but it proved broadly acceptable.

It was now becoming clear that there was something of a tug-of-war between conservative elements, centered in the Palace, some political elements who wanted the dismantling of the old system to be total and immediate, with Bhattarai and other members of the interim government playing an intermediate, conciliating role. For example, at the end of May Communist elements called for the summary abolition of the 1962 Constitution. Since virtually all features of the 1962 Constitution inconsistent with Nepal's new political order had been abolished by royal decree (including, in late June and early July, some 52 additional constitutional provisions) the interim government agreed that Nepal should remain under the old constitution in its new eviscerated form until a new one could be completed. Also, in the interest of continuity and orderly management of public business, the interim government (and the Palace) resisted demands from the left for a mass purging of the bureaucracy and civil service, limiting actions in this area to certain categorical decisions such as dismissal of all 14 zonal commissioners.

The Constitutional Recommendations Commission received some 9000 suggestions and proposals from individual Nepalese as well as from

all political parties and other organizations representing specific ethnic groups, communities and interests. It also drew heavily on local and international academics and other specialists with expertise in constitutions and comparative government. The question of constitution-making, except for election-related issues, is beyond the scope of this report, but there were some key issues relating to the sustainability of the constitution: whether and how Nepal's status as a Hindu Kingdom could be reconciled with the announced policy of the interim government to ensure religious freedom; the extent of the King's executive, legislative and emergency powers; and the role of the Army vis-a-vis the King and the elected government.

On September 10, the Constitutional Recommendations Committee had completed its work and, in a ceremony at the Royal Palace, presented the draft Constitution to King Birendra. The King, to the surprise of some, immediately handed the draft to Prime Minister Bhattarai with a request that it be reviewed and returned to him with the recommendations of the interim government. The interim government spent some time in carrying out this task, and only a month later, on October 10, submitted a somewhat revised draft to the Palace.

The interim government's decision to modify the draft clearly had been taken by the Palace as an invitation to do likewise. On October 21, the cabinet received a Palace "counter-draft" which constituted a further, and major, re-work of the original draft version. The Palace document, which came as a shock to most who believed that the King had agreed to a clearly limited constitutional monarchy with sharply defined areas of authority, greatly strengthened the role of the King in the scheme of things. One analysis identified 26 substantive changes contained in the counter-draft which weighed in on the side of greater royal authority. Main provisions included new preambular language which reserved to the King "sovereign, inherent and central power" and omitted references to the People's Movement and references to "people's inherent and sovereign power and popular will." Other features included in the counter-draft provided for a State Council as a parallel government, broad residual powers vis-a-vis the legislative, judicial and executive functions, authority to call a referendum on important issues and to modify the constitution unilaterally, extended emergency powers, and direct authority over the Army.

The "counter-draft" was unanimously rejected by the cabinet the following day. Prime Minister Bhattarai threatened to resign if the Palace insisted on the proposed changes. Clearly, the Palace document was unacceptable and the King again faced the prospect of widespread popular protest, and perhaps more violence, unless it were fundamentally modified. A redrafting process got underway on October 23 with participants from the interim

government and the Palace trying to seek agreement on a final version which would be acceptable to all concerned. The Palace announced that the constitution, in final form, would be promulgated on November 9. As a means of keeping on the pressure, there were daily demonstrations and processions in Kathmandu and elsewhere, beginning on October 22, organized by the NCP, ULF elements, students and various professional groups. These demonstrations appear to have had several purposes: to register concern about the delays in producing a new constitution, to urge speedy action, and---most substantively---to warn the King and his entourage that an undemocratic constitution would be unacceptable to the people of Nepal.

It was during this suspenseful period that the IFES team members arrived in Kathmandu. The mood was tense but also expectant: most observers believed that the King would honor his pledge to promulgate the Constitution, as scheduled, on November 9. Those following the process closely were aware that a drafting committee drawn from the interim government was working closely with Palace counterparts, and that this formula was likely to avoid any further surprises. At the same time, it was widely believed that the King remained subject to conservative influences from his family and the Palace Secretariat, and few were prepared to rule out the possibility that what was finally promulgated might reflect these influences---leading to yet another round of protest and potential conflict in the streets.

The IFES team left Nepal November 3, six days before the Constitution was promulgated. We also left prior to the issuance of the new electoral law, which was still being drafted and was expected to be issued sometime in the last third of November. This report, therefore, is based on the information available at the time of our visit, supplemented by the text of the new constitution which was received by the author on November 19.

The Conduct of Elections in Nepal: Framework and Procedures

1. Constitution: Basic Provisions

The Constitution of Nepal, promulgated on November 9, bears some superficial structural resemblances to its predecessor but in fact represents a fundamentally different approach to governance. The constitution, identified as the fundamental law of the land, provides that sovereignty resides in the Nepalese people, rather than in the King. The King is "the symbol of Nepalese nationality and the unity of the people of Nepal." The constitution declares Nepal to be a "multi-ethnic, multi-lingual, democratic, independent, indivisible, sovereign, Hindu and constitutional monarchical kingdom." It provides for an impressive range of constitutionally guaranteed political and civil rights, and a similarly broad range of protections in the field of criminal justice. It specifically provides that "no law is to be passed which bans or lays restrictions on political parties."

Election-related provisions of the constitution are included at Annex A.

2. The Parliament

Article 44 of the new constitution of Nepal provides for the national legislature, called the Parliament, which consists of the King and the two Houses of Parliament.

Article 46 provides for a permanent upper house called the National Council of 60 members. Ten will be nominated by the King; 35 will be elected by the House of Representatives, and another 15 will be elected from each of Nepal's Development Regions (three per each of the five regions). Members of the National Council, which will not be subject to dissolution, will serve six-year terms, but during the first six years terms will be curtailed by lottery to ensure that thereafter the terms of one-third of the members will expire every two years.

Article 51 provides for a House of Representatives elected directly by the people. Article 41 prescribes that the Prime Minister will be the leader of the political party which commands a majority in the House of Representatives, and that other Ministers will be appointed by the King on the recommendation of the Prime Minister. These provisions make it clear that--as in most other constitutional monarchies with a bicameral legislature---political power and responsibility is intended to flow largely from the popularly elected House of Representatives. The focus of this report is therefore upon this body, and on the provisions and arrangements for election of its members.

Members of the House of Representatives will normally serve five-year terms, unless the House is dissolved earlier or, in a State of Emergency, extended no more than one additional year. Members are elected on the basis of "one man one vote [sic] through secret ballot in accordance with the provisions of law." Candidates for the House must be Nepalese citizens, at least 25 years old, not be legally disqualified; and, with certain prescribed exceptions, shall not have held an office of profit. No person may be a member of both the House and the National Council simultaneously.

3. Electoral Constituency and Delimitation Issues

The Third Amendment of the 1962 Constitution, which provided for the first time for direct popular election of members of the National Panchayat, also prescribed a highly disproportionate system of representation. The electoral system used the districts, (administrative units roughly comparable to counties) as constituencies. Each of Nepal's 75 districts was allocated either one or two seats depending on population. Many hill and mountainous districts have very low populations while nearly all of the districts of Nepal's Terai region (the populous lowland areas adjacent to India, with an estimated 40-50 per cent of Nepal's population) have over 100,000 residents. The result was a seat allocation system which gave far more political weight to the less populous (and presumably more pro-system) hill districts.

Nepal's new constitution makes two major organizational changes in the basic electoral framework). First, Article 45 provides for a directly elected House of Representatives of 205 members, contrasted with the 140 in the old National Panchayat (112 elected and up to 28 nominated members). Second, the new constitution retains the district as the basis for elections. Article 45 (2) provides that, for the purpose of election to the House:

the administrative districts shall be deemed to be the election districts and the number of seats to be allocated to each district shall be in the ratio of the population of that district which has been determined by the census held prior to the concerned election. The ratio of seats to be allocated shall be based on the number of such population of a district, and as far as possible such number of seats in any district shall be in the same ratio between the population and the number of seats amongst all the districts. The election constituencies shall be determined in the ratio of one constituencies [sic] for each seat thus allocated. Provided that at least one seat shall be allocated for purposes of election from one district irrespective of population.

In practical terms, this means that the new constitution not only provides for nearly twice as many elected representatives on a per

capita basis but also goes a long way toward redressing the imbalance in the old system whereby less populous districts were vastly overrepresented. For example, in the 1986 election, the 10 districts with the smallest number of registered voters (about 300,000 total) had 10 seats in the National Panchayat---about one seat for each 30,000 voters. By contrast, the 10 most populous districts, with a total of some 2.7 million registered voters, were entitled to only 20 seats, or about one seat per 135,000 voters.

While comparable calculations are not possible pending publication of seat allocations for the 1991 elections, it is clear that the new formula will greatly reduce some of the disparities which the old one provided. We were given to understand that, while each district is assured of one seat regardless of population, more populous districts like Kathmandu and Morang would be allocated up to five or perhaps six. On the other hand, there will remain a built-in overrepresentation of smaller districts (all of which are in the mountain or hill regions of Nepal). The Election Commission estimates that, with 205 seats, Nepal's mountain areas would receive 13.67% of seats, the hill regions 47.31% and the Terai 39.02%. Most with whom we discussed this issue felt these proportions to be broadly equitable, although some groups--notably the Goodwill Party, which seeks proportionate representation in government and administration of the populous and hitherto underrepresented Terai region---still regard the new system as inadequate to redress the balance.

Another difference: under the old arrangements, election in districts was on a "first past the post" or, in two-member districts, "first two past the post," with no runoff requirement. Under the new constitution, all members of the House of Representatives will be elected from single-member constituencies. As before, there will be no runoff provision; the candidate receiving the single largest number of votes, whether simple or absolute majority, will win.

Seat allocation for the 1991 elections will be based on the 1981 census, the most recent taken, modified by population projections for 1990. A new census is scheduled for 1991.

While the IFES team discussions in Kathmandu with the Election Commission were based on the correct premise that the yet-to-be-promulgated Constitution would provide for 205 House seats, there is as yet no available official projection in constituency allocation per district. Under no circumstances would district boundaries be adjusted.

Determination of constituencies within multi-seat districts will fall to an Election Constituency Delimitation Commission (ECDC), a body provided for in Article 105 of the Constitution. Members of

the ECDC will be named by the King on the recommendation of the Constitutional Council. The Commission's constitutionally defined responsibilities are as follows:

... subject to the provisions of Article 45, and after determining the number of seats from each district for election to the House of Representatives delimit the constituencies for districts having more than one seat. The Commission shall take into consideration the boundaries of the administrative districts, geographical factors, density of population, transportation facilities, and communal homogeneity or heterogeneity of the local residents.

Formation of this body was expected shortly after the promulgation of the Constitution on November 9. However, as we learned during our visit, basic preparatory staff work for constituency delimitation has already been done by professional demographers and statisticians at the Election Commission, and there was a high degree of confidence that the delimitation process, despite the inevitable political questions it would raise, and the shortness of time, could be handled with little difficulty.

Annex B includes a map of Nepal's districts and a list of voters by district

4. The Election Commission: Constitutional and Legal Provisions

The constitution provides in Articles 103, 104 and 108 for an Election Commission, to be named by the King on the recommendation of the Constitutional Council. (The Commission is in fact a carryover, in similar form, from the 1962 Constitution as amended). Article 103 provides that the Commission "is to consist of a Chief Election Commissioner and such number of other Commissioners as may be deemed necessary."

Commissioners serve six-year terms and are eligible for reappointment; they must, however, retire at age 65, and they may be removed from office on the same grounds and in the same manner as prescribed for judges of the Supreme Court. Commissioners must be at least 45, must hold a graduate degree from a recognized university, and may not be a member of any political organization at the time of appointment. Election Commissioners are not thereafter eligible for other government appointments (except that a Commissioner may be appointed Chief Commissioner).

Article 104 provides that:

(1) The Election Commission shall, subject to the provisions of this Constitution and other laws, conduct, supervise, direct and control the election to the Parliament and other

local organizations of village, town and district levels. The electoral rolls of the voters for the above purpose shall also be prepared by the Election Commission.

(2) If after the nomination for election to Parliament has been filed a question arises before the election is completed that a candidate suffers or has become disqualified pursuant to Article 47, final decision thereon shall be made by the Election Commission.

(3) The Election Commission shall have the power to delegate some of its power to the Chief Election Commissioner or any other Election Commissioners or to any office of His Majesty's Government subject to the conditions specified in the authority letter. The person so delegated shall comply with or exercise the delegated powers only.

5. Who May Vote?

Articles 8-10 of the constitution define citizenship. Article 45 (2) provides that "any citizen of Nepal who has attained the age of eighteen shall be entitled to vote in any one of the election constituencies in the manner specified by law." A practical problem in Nepal relates to citizenship documentation. Many voters in the Terai and some in urban centers are recent arrivals from India or have close family ties with people on the other side of the 500-mile open border with India. While the government is acutely aware of the problem, there is not at present any nationwide identity documentation system.

The 18-year-old vote is new to Nepal. In previous elections, the lower age limit was 21. There is feeling in certain quarters that lowering the age limit may have opened the door to less informed voting, but there was a strong view among the parties making up the interim government, particularly in view of the role of youth and students in the popular movement earlier this year, that young people in this age group should be given the opportunity to vote. Overall, the decision does not appear to be a controversial one.

Voting in Nepal is voluntary. The last two national elections drew turnouts in excess of 60%. Most political observers questioned thought turnout would be higher in 1991.

6. Preparations for the Vote

Despite the dramatic changes in the political environment, Nepal's Election Commission has considerable experience in holding elections. It has in the past decade supervised five elections--- one national referendum (1980), two nationwide elections to the National Panchayat (1981 and 1986), and two nationwide series of elections to local offices (1982 and 1987). Although the legalization of political parties can be expected to make the process more complex, it is not expected that there will be any

major administrative and procedural changes in the way the 1991 elections are administered.

With 205 constituencies for the House of Representatives, and a total estimated electorate of nearly 10.7 million, the average constituency will contain just under 50,000 voters. The number of polling places per constituency will vary depending on terrain, isolation, population density and other factors, but it is anticipated that there will be perhaps 15,000 polling stations nationwide, producing an average of some 700 voters per polling station.

Except for the 1959 general elections, in all previous elections in Nepal individual candidates competed without any explicit identification by political party. In 1991, however, candidates may run either as candidates of recognized parties or as individuals. As is common on the Indian subcontinent, and elsewhere where literacy rates are low (Nepal's is below 30 per cent) the basic voting document is a printed paper ballot which carries a symbol for each party or candidate. In 1991, according to the Election Commission, there will be two sets of reserved symbols---one for use nationwide by specific parties qualifying for the ballot, the other for use by individual candidates and allocated to them by constituency. Thus the same ballot can be used across the country. (An example of the ballot used in the 1986 elections is at Annex C.) The Election Commission will entertain requests from political parties for preferred symbols (and the election law will spell out ground rules for use of symbols, such as a prohibition on religious symbols) but will have the final say in which party is allocated which symbol.

The Election Commission professed confidence that it would have no real difficulty in meeting physical requirements for the elections---printing of ballots and other documents, acquisition of ink, etc.---even though the ballot requirements for 1991 will be more complex, in part because different ballots, listing the names of individual candidates, will be prepared for each of Nepal's 205 constituencies. A problem with the ink used to mark fingers to prevent double-voting was also identified in our discussions. The Commission had contracted for ink from India but tests identified quality problems and the tender was withdrawn. The Commission did not, however, indicate that it needed any assistance in rectifying this problem.

7. The Role of Political Parties

Political parties, although technically outlawed under the 1962 Constitution, have since that time enjoyed a "shadow existence" in Nepal---officially tolerated and permitted to exist, organize and operate in what has amounted to a quasi-legal status. For example, parties during the 1980s maintained their own offices, vehicles

and stationery; their leaders (if not in prison or under house arrest or detention) circulated freely in society and were usually able to organize public meetings; and statements by political party leaders could even be quoted freely in the local independent press, and were---so long as the name of the party was followed by "(O)"-- meaning "outlawed."

One theory is that Palace and Panchayat leaders believed they could better monitor and even influence the role of parties if they were allowed to function in this mode, while complete suppression of party activity would merely drive them underground, foment extremism, and make it harder to monitor their activities. But, while parties were tacitly permitted to operate on this basis, the Palace and government did not hesitate to detain and imprison principal party leaders, sometimes for periods of years, if they felt their activities unduly threatened the system. Despite these constraints, the long-established parties (Congress and the various Communist factions) maintained their opposition to the partyless panchayat system and, in 1990, led the organized resistance which finally brought about fundamental change.

The official April 8 announcement that the ban on political parties had been lifted triggered a wave of party organization and activity unprecedented in Nepal's history. Old parties reappeared, and many new ones came on to the scene. One factor which further stimulated the early reactivation of parties was the opportunity to register views about the new constitution with the Constitutional Recommendations Commission.

There were by October 25 at least 45 parties, old and new, which had made their existence and stated purpose a matter of record. These numbers will undoubtedly change, both in response to political dynamics (i.e. the likely attempt of Communist factions to achieve maximum pre-election unity, for electoral purposes) and in response to provisions of the yet-to-be-promulgated election law. While it is of course extremely difficult to gauge the relative strength of political parties months in advance of the election, in a country where no scientific or even systematic polling exists, there seemed to be a general consensus that the main contenders in the 1991 elections would likely be the Congress Party, certain of the Communist parties, the two National Democratic Parties, and perhaps the Goodwill Party. (For a detailed listing of political parties, see Annex D).

The new constitution provides that parties will be required to register with the Election Commission. It also states that, "in order to get registration a party must have five per cent women candidates and should obtain at least three per cent of the total vote cast in the election to the House of Representatives." The specific criteria and requirements for party registration will be spelled out in the election law, slated for promulgation later

this month. There is some concern on the part of some political parties, especially some of the Communist factions, that there will be disclosure or information registration requirements such as identity of leaders, size of membership or other information, which may make it hard for some parties to comply. Other parties with an ethnic or communal base may also face obstacles in registering.

The constitutional provision cited above poses a special problem for the 1991 elections. Although the "three per cent" requirement will be simple to apply to subsequent elections, it is still not known what specific limitations, if any, will apply to small or locally based parties or individual candidates wishing to qualify for next year's ballot. This appeared to be a matter of some debate and discussion at the time of our visit. Some felt strongly that in Nepal's first and only democratic election since 1959, there should be few or no obstacles to getting on the ballot. Others were of the view---perhaps influenced by the Indian experience---that there should be some way of screening minor parties or individual candidacies to at least eliminate frivolous or publicity-seeking candidates. Raising the filing fee, which was NRupees 1500/- in 1986 (about US\$50.00 at current exchange rates) was one option under consideration. The election law, once published, will clarify these issues.

8. Local Security and Administration

The yet-to-be issued electoral law will lay out detailed arrangements for the 1991 elections, but there is no reason to predict major administrative changes from past practice. The fundamental jurisdictions where the work of the election will be carried out are the polling place, where voting happens, and district headquarters, where votes will be tabulated and results announced. The constituency is the unit from which a member of the House is elected; however, there are no constituency headquarters, or operations, per se.

The Election Commission confirmed that although the Chief District Office (CDO) remains the senior official at district level, for purposes of election administration the CDO will be subordinate to the Chief District Judge. The judge will have broad powers to ensure that all aspects of the election are carried out properly, and to supervise civil servants assigned to help with elections.

The maintenance of law and order will fall mainly to members of Nepal's 30,000-strong police force. The national reputation of the police has fallen since the tragic violence of early April, and we did hear some reservations about the ability and/or the will of the police to manage problems at election time. This appeared to be a minority view, however. It was widely expected that the Royal Nepal Army (RNA) would not have any election-related

responsibilities; few we met thought that such a role was appropriate. There were some references to supplemental security efforts such as enrolling retired Gurkhas or RNA veterans in local communities, but we saw no evidence that there is any national program of this sort.

The Election Commission has communication links with all 75 of Nepal's district headquarters--the administrative centers where voter list tabulation is coordinated and where votes are tallied on election day. In some cases, this is by telephone; in most, it is by government radio. There is a plan, now being implemented, to install facsimile communications between the Commission and as many district headquarters between now and election time. This program is also being supported by DANIDA, the Danish aid agency.

9. Voters' Rolls

Critical to the election process is the preparation and updating of voters' rolls. This is the main ongoing function of the Election Commission. Voters' rolls are prepared at the ward level, based on a house-by-house count. Information tabulated includes full name, address and house number, year of birth, and family members. The system relies heavily on local officials' knowledge of members of the local community. A longer-term approach lies in the government's plan to issue identity cards to all Nepalese citizens, but this program is only 35-40% complete and is proceeding slowly.

Ward lists once compiled are forwarded to district level officials, and then to EC headquarters in Kathmandu. At the EC offices, using the new computers now in place, a computerized voter list is prepared for each jurisdiction. The computer printout is then compared, item by item, against the original list. Corrections and copies are made.

The completed voters' list is then returned to the local jurisdiction, where it is posted in a public place for at least 15 days to allow for local voters to examine it and register any questions or complaints regarding names of local voters who have been omitted, names on the list which should be deleted, and other apparent irregularities. The election law will set forth detailed procedures for challenges.

The issue of double entries on Nepal's voters' rolls was acknowledged to be a problem by political parties, by a foreign elections expert, and even by the Election Commission itself. Estimates of the magnitude of the problem range from 25-30% (from a Terai-based political party, which alleges a long-standing government conspiracy to double-count millions of former hill voters who migrated to the Terai) to 0.5-1.0% (the Commission). A qualified foreign expert cited an estimate of 10% double entries

in 1986 and estimated that they would be somewhat lower in 1991. It seems prudent to estimate that the problem for 1991 will be in the 5-10% range. One complicating factor is the over 80,000 college and university students, most of whom live and will vote away from their normal place of residence and yet many of whose names undoubtedly appear on local lists.

A separate issue is to what extent these defects actually lend themselves to voter impersonation or double voting. Team members heard a good deal of anecdotal evidence that impersonation, at least in Kathmandu, has occurred with some regularity in the past. Double voting, because of the requirement that votes be cast in person, is probably of much less importance. It does appear, however, that the present system lends itself to considerable potential distortion. What is not known is how serious a problem this will prove to be in 1991 with representatives of different parties and other organizations observing the election process.

10. Election Day: Procedures

Election day is a public holiday and no regular government functions are performed. No liquor is permitted to be sold on election day. Campaigning ends 48 hours before the vote begins. Voting begins at 8:00 A.M. and ends at 5:00 P.M.; local authorities may extend the voting period if bona fide voters present before the deadline would otherwise be denied the vote.

There is no absentee, mail or postal ballot system. Votes must be cast in person. The voter is registered in the location where he/she is normally resident. The only way in which voters can arrange to vote elsewhere is to notify the Commission or the Chief District Officer well in advance and have one's name transferred from one local list to another. This appears to be a time-consuming and somewhat uncertain process and it is therefore likely that this feature of the Nepalese election system has the effect of disenfranchising substantial numbers of voters.

On election day, the voter proceeds to the designated polling station, which normally will be a school or other public building, no more than 2 miles from the residence of the most distant voter. In addition to public officials who administer the vote, representatives of party and individual candidates will be at the polling station to monitor voting. As in past elections, the Election Commission is preparing detailed pamphlets outlining the responsibilities of each official at each level of the process. Unfortunately, at the time of our visit, these were still in preparation and in any case will not be issued in English.

The voter identifies himself, and has his/her name checked against the voters' list. Assuming the name checks, the voter's thumb is marked with indelible ink and the voter is handed a paper ballot.

The voter then proceeds to a curtained off or otherwise isolated area where a rubber stamp is used to make a mark next to the symbol of the chosen candidate. The ballot is then folded and the voter leaves the voting area and places the folded ballot in a metal ballot box.

When the time for voting has expired, the ballot boxes are sealed in the presence of candidates or their representatives. They are then transported to the district headquarters. At district, counting will take place at tables set up for the purpose. Again, parties and candidates may have their representatives present to verify the process. Vote totals will be tabulated and relayed to the Election Commission by phone, fax or radio on an hourly basis. This sounds like a brisk process; realistically, however, in some cases it will take many hours or even days for ballot boxes to be transported to district headquarters for counting. The Election Commission hopes---perhaps optimistically---that the Royal Nepal Army and/or donors will make helicopters available to transport ballot boxes from remote locations.

When counting is completed, the Chief Judge at District level will certify the results. Ballot boxes will be retained at District level and the ballots kept for three months in case there are allegations of irregularity or challenges to be adjudicated.

Nepal's new election law will undoubtedly prescribe election arrangements in great detail. However, as of the time of the IFES team visit, the law still had not been issued, and as a result some important rules relating to the conduct of elections still had not been established. These include challenge procedures; precise duties and responsibilities of each official at all levels; the method of accrediting and accepting representatives of parties and individual candidates to observe the vote and monitor vote tabulation; and the method of reporting the vote---ensuring that observation and tabulation of the count at each step of the election process.

11. Election Commission Operations: Team Observations

IFES team members had three extended sessions at the Election Commission, including a full tour of the Commission. All were highly impressed by the efficiency and purpose of the operation. At the time of our mission, the Commission's main operation was completing reconciliation of voters' lists from around the country --a process which was about 93% complete as of the time of our visit---drafting of the new electoral law, and other preparatory functions. This clearly is a well-led, well-organized, and highly motivated operation, doing a good job despite some resource constraints.

The Commission is working within a carefully worked-out, detailed

schedule and timeframe for what it has defined as the 12 major areas where pre-election preparations are required. (This document will be found at Annex E.) The main areas covered by this impressive planning document include phased preparations in the following areas: voters' lists, election law and manuals, delimitation of constituencies, polling booths, schedule of key events, election materials, manpower, training, ballot paper, security, communications, and publicity. Delay in the promulgation of the constitution has compressed this schedule somewhat and generated some problem areas---but none, we believe, that seriously jeopardize the Commission's ability to complete essential pre-election tasks on time. The Electoral Commission is housed in the old Royal Hotel, in central Kathmandu, and has ample office space. We were told that the Commission will have a total budget for the 1991 elections of NRupees 90 million (about US\$3 million)---not a large sum for an operation of this magnitude! One of the important elements of continuity during this turbulent period has been the ongoing work of the Commission under the leadership of Chief Election Commissioner Surya Prasad Shrestha, who appears to enjoy an excellent reputation for impartiality and probity. Shrestha is assisted by two Commissioners---former Secretary of Law Dhruba Bar Singh Thapa, and former Secretary to the Election Commission (in the 1950s) Shyam Krishna Bhattarai.

One major new feature of the Commission's work is the reliance on computers for preparation and updating of voters' lists from around the country. The Commission has over 30 Macintosh and IBM compatibles, plus software in Nepali, furnished by DANIDA, the Danish aid agency. This, coupled with the extensive constitutional and election-related expertise provided by DANIDA, including several experts, has been instrumental in Nepal's good start in election preparations this year. The ongoing work on the voters' lists was impressive, including computer inputting, and updating plus double-and triple-checking of ward voter lists compiled at district level.

As in the case of India, the Nepalese Election Commission is a small body which expands enormously as election time approaches. The permanent staff is about 100 but there are already some 300 employees working full-time (or in some cases in shifts) to prepare for the election. The new constitution appears to give the Commission sufficient authority to enlist other government personnel and resources, and past experience demonstrates that regional, zonal, district and local personnel and resources are indeed made available to conduct the election. We were informed that during the election period some 98,000 civil servants throughout the country will have election-related responsibilities on election day and 75-80,000 will be expected to support the election process over a longer period. Manuals detailing the responsibilities of each category of official are now being completed. For the elections, the Commission also draws

extensively on vehicles and other government resources as available. One important feature of the Commission's plan to prepare for the 1991 elections is its effort to secure massive new resources, including data processing and communications equipment, vehicles, and helicopter support. See the Commission's list, Annex F, and also the Conclusions/Options and Recommendations section of this report.

12. Media issues

The major media in Nepal are government-operated. They include:

- Radio Nepal (heard throughout the country)
- Nepal Television - (available only in and near the Kathmandu Valley and in other major urban centers). Estimated viewership: 600,000
- Two daily newspapers: The Rising Nepal (English -- circulation 15,000) and Gorkhapatra (Nepali -- circulation 30,000)
- RSS, the national news service.

As information sources, these official media are supplemented by:

- Privately published newspapers, in various languages, mostly with specific political agendas, minuscule circulation, largely limited to the Kathmandu Valley;
- International radio broadcasts (All-India Radio, BBC, VOA, others), limited by the relative scarcity of shortwave receivers but important due to their perceived credibility and independence;
- And, perhaps most important in a society where literacy is low, 93% of the population rural, and personal contacts vital, local officials, politicians, religious leaders, and other "influentials" who interpret news and events for local audiences.

The Election Commission clearly sees voter information and education as part of its responsibilities in preparing Nepal for national, multi-party elections, and a comprehensive information strategy--aimed, we were told, at telling voters "what is new about these elections?"---is now being prepared. Although there were voter information programs in 1981 and 1986, the challenge is seen as larger this time, in part because voters, for the first time in a generation, will face the claims of competing parties and partisan candidates. From the perspective of a team member who earlier spent three years in Nepal, the contrast in the official media's coverage of political topics is already remarkable: in range, balance, and depth of coverage of political topics The Rising Nepal, for instance, bears little resemblance to the same paper two years ago. We were informed that the governing boards of all the official news organs, like the interim

government itself, now include representatives of the Congress and ULF.

We attended a meeting of senior media officials and were impressed by the extent to which they had already identified and considered the many new issues which arise regarding the responsibility of public media vis-a-vis political parties and programs. We heard and participated in a lively discussion which covered such topics as information v. propaganda, live v. taped statements, how to handle polls and surveys, limits on debate, "fairness doctrine" issues, coverage of party platforms by official media, regional coverage problems, and much more. In a number of areas---for example, what are the permissible limits of political debate to be covered by the official media?---the Election Commission admitted that new official policies are needed but are not yet in place.

Will Nepal's public information programs be adequate to the need? Several NGOs contacted were skeptical, expressing the view that government programs should be supplemented by private voter education programs focusing on such areas as participation by women and minorities, prevention of fraud, and voter empowerment. We did not gain the impression from Commission and official media representatives that they felt assistance in this area was needed either from foreign governments or NGOs. We did conclude that---given the magnitude of the task---this is an area where, unless there is active government resistance, supplementary non-partisan programs could enhance the quality and fairness of the elections.

13. Money Issues

Nepal in the past has had no system effectively to control the sources, receipt and expenditure of money in political campaigns. That picture will not change greatly in 1991.

The prescribed limit of NRs 50,000/- (probably to be raised this year) was not enforced in 1986 and in some cases was vastly exceeded. We found fairly widespread concern about the impact of domestic and foreign money on next year's elections, although few if any we spoke with were of the view that unchecked spending was likely to determine the outcome. On the one hand, Congress and especially ULF partisans are concerned that well-heeled conservative elements, including the Palace, may bankroll status quo candidates. Offsetting this are worries in moderate and conservative circles of foreign contributions to the Communist parties. A third area of concern relates to Indian and possibly Chinese contributions to Nepalese candidates and parties. But neither Election Commission personnel or any others we spoke with felt that the lack of control over campaign expenditures was an issue which Nepalese institutions would be strong enough to tackle at any time in the near future.

Nepal is one of the world's poorest nations. Except for access of registered candidates and parties to the official media, there are no provisions for public funding of political campaigns and we encountered no serious suggestion that Nepal would (or could) have such a program anytime soon.

Conclusions

1. We found no serious reason to doubt that Nepal's national elections will be held in 1991. Timing is a potential problem: because of climate and weather factors, Nepal faces a narrow March-May time window in which nationwide elections can be held. Delays have already compressed the time available for remaining tasks, but we expect that elections will take place as scheduled. The political costs of a year's delay would be very high.
2. We also found, in almost all quarters, a deep hope that a democratically chosen government, following free and fair elections, will be able to frame a national agenda and begin to address some of Nepal's pressing national needs. As one Nepalese said: "This is really the beginning of an era. For the first time, we can think seriously about what the future will be like and how we can shape it---even if we don't know what shape it will take." This spirit itself increases the chances of success.
3. We believe, despite a number of resource constraints and potential problem areas that the Election Commission has done a highly professional job of advance planning and contingency drafting, has quality leadership, is adequately supported in its major task by the government, and is both qualified and motivated to complete preparations for national elections. We found few doubts about the Commission's fairness. Accordingly, we conclude that, while there are a number of areas in which assistance from IFES and other entities would, if requested, have an important and positive impact on the quality and credibility of next year's elections, we do not believe, given the quality and seriousness with which the Commission and the interim government are preparing for elections, that such assistance will be crucial to the process.
4. At the same time, almost no one we talked to believed the holding of free, fair and credible elections will be an easy task. Many who expressed satisfaction with preparations to date went on to observe that the job would become progressively more difficult as elections approached. We believe there is ample reason for concern, for reasons enumerated below.
5. Virtually everyone we talked with on the Nepalese side expressed the hope that there would be international observers for the national elections---to verify the fairness of the elections, to encourage the process, and to serve as a deterrent to those who would corrupt the process. There may or may not be an official invitation or request for observers, but we believe the door is wide open for responsible observer groups that wish to attend. On the other hand, we believe the EC and the Government of Nepal will be very limited in their ability to support international observers in the areas of communication, transportation, and logistics,---and that observers will be pretty much on their own.

One or several Nepalese nongovernment organizations will probably organize their own election observation programs, drawing if possible both on Nepalese and international resources and people.

6. Election observing in Nepal, on anything like a balanced and comprehensive basis, will be a challenging and time-consuming task involving considerable resources. International airline connections are expensive and often overbooked. In Nepal, observers will find the terrain formidable, infrastructure rudimentary, and in-country travel chancy and difficult. For an observer mission attempting balanced national coverage, some individual observers would have to rely on local transport plus treks of one to several days to reach their destinations. It would be relatively easy for observers to view elections in the Kathmandu valley, Pokhara, and parts of the Terai, but this approach would limit the balance and usefulness of the mission.

7. Regarding both pre-election assistance and observer missions, we found a fragmented and rather confused picture, with various governments, NGOs, and local groups planning or considering their own programs, but with limited coordination. It appears possible but unlikely that the interim government or the Election Commission will undertake an active coordinating role in this area. And, as of the time of our departure, there was no effective donor/NGO coordination mechanism although the possibility was raised that the donor's group (chaired in Nepal jointly by World Bank and UN Development Program representatives) might take on this role. Absent some effective if ad hoc mechanism, efforts in this area will be time-consuming, difficult and possibly duplicative. And the time is short.

8. Regarding pre-election assistance, we found a disparity between what the Election Commission has identified as its priority needs---vehicles, radios and other communication equipment which it believes it needs to carry out the elections effectively and which it has communicated to various governments (list at Annex F) ---and other areas such as paper and printing assistance, voter identification ink, technical assistance and voter education--- areas where actual needs may be greater than was recognized at the time of our visit. Regarding the hardware, while the request undoubtedly reflects some real concerns and needs, there were questions about future use of such items given the periodic nature of the election process. Nor was it clear, in view of Nepal's relative past success in conducting national elections under the old panchayat system, that major leaps forward in technological resources, however desirable, would be required for success.

9. We concluded that the Election Commission faces acknowledged problems regarding the quality and supply of ink for marking voters' fingers, and potential problems regarding 1) paper quality and supply and 2) ballot printing on a timely basis. Election Commission officials did not indicate a belief that donor

assistance would be need to resolve these problems.

10. Considerable concern was expressed, from both ends of the political spectrum, about the prospects for violence and intimidation, particularly in rural areas, and also that local civil officials and police might lack the ability or numbers to control violence or intimidation at the local level. The NDP warned of Communist intimidation, while ULF elements expressed concern that entrenched conservative elements would deny leftist candidates a fair shake. While such problems are more likely to be spotty than nationwide, we believe such concerns may be well founded.

11. There was also, in some quarters, a serious question as to whether at least some Communist factions have a commitment, other than tactical, to the democratic process.

12. In response to anticipated violence and intimidation, some party and NGO spokesmen felt it was important to try to find some way to structure and institutionalize adherence to basic "ground rules" in advance of the elections. We heard two broad approaches to this suggestion: 1) an "all-party" declaration, as specific as possible, committing candidates and parties to abide by fair election conduct and 2) the organization of "citizen monitoring groups" or similar groups, preferably on an all-party basis, and at the constituency or village level, to work for voter education and, on election day, to deter violence and intimidation. There was some interest in similar efforts which have succeeded elsewhere, such as in the Philippines.

13. Although opinions on the magnitude of the problem vary widely, there is reason to believe that double or multiple registration on the voters' lists is fairly widespread and that, despite serious efforts to rectify the problem, it will remain a problem at election time. Based on all the evidence available to us, we estimate that the number of names appearing improperly on voters' lists will be in the 5-10% range. There is no national identity card or other system for voters and, even if there were, there is no capability at the national level for crosschecking. The problem is further complicated by the large numbers of Nepalis with identical names.

14. Concern was expressed by many of our interlocutors about the unchecked role of money in Nepalese political campaigns. In 1986s, the NRs. 50,000/- limit (about US\$1700) for spending on an individual candidacy was seen as arbitrary and ineffectual, of little or no use in checking either domestic or foreign contributions to campaign. Regarding the 1991 elections, it seemed to be taken for granted that there would be a good deal of Indian and perhaps Chinese money funnelled to parties and candidates. At this point, there are no effective controls on election financing, from whatever source, and we heard no one

express the view that this was an issue about which anything useful could be done in the near future.

15. While the Election Commission clearly has voter education as part of its formal agenda and is coordinating GON media and agencies' efforts, the task is formidable. We concluded that this was an area where official efforts could be supplemented by outside and NGO assistance.

Options and Recommendations

General Comments

The rapid transition to democracy in Nepal is the kind of situation in which IFES should seek to assist---especially since there are identifiable obstacles to the democratic process which IFES programs may help overcome. The challenge will be, in a limited period of time, and in a rapidly evolving situation, to identify specific areas in which such assistance will be visible, have real impact, and contribute materially to free, fair and credible elections in Nepal.

IFES is only one organization considering or committed to election-related assistance to Nepal and, as noted earlier, there was at the time of our visit a clear need for improved coordination among the various entities contemplating election-related assistance. Coordination with the Asia Foundation and other recipients of DPI monies will be especially important. There can be no substitute for intensified and local coordination as a means of identifying the best use of resources from IFES and other entities. While the IFES visit, and specifically the November 2 debriefing/discussion at USAID, may have moved prospects for coordination forward, we recommend that this process be continued. We also ask that USAID keep IFES informed about the status of donor coordination efforts, and other donor commitments, in this area.

Technical Election-Related Assistance Issues Listed below are areas where we believe election-related nonpartisan technical assistance to Nepal could be particularly relevant. In some cases, these reflect ideas or proposals from government officials, the Election Commission, and/or non-profit organizations. In others, they reflect the judgment of team members as to areas in which technical assistance either will or may be important. The IFES team identified a number of possible areas in which IFES could have a positive impact on the Nepalese election process. It was, however, unclear as to what other agencies and organizations might be able to undertake, and we therefore could not reach firm recommendations about prioritized programs. IFES looks forward to further refinement of the following recommendations in the context of a follow-on visit in early 1991.

A. Election Commodities

1. Hardware. *IFES recommends a careful review of the list prepared by the Election Commission, "Strengthening the Election Commission to Conduct the Multi-Party Election in Nepal" (Annex F) by USAID and the Embassy.* This document is a detailed and ambitious listing of high-tech equipment (computers, FAX machines, solar-powered and SSB radios, walkie-talkies, etc. plus vehicles) which the Commission would like to have for the conduct of the elections. While some of the equipment listed would certainly

assist the Commission in carrying out the elections more easily, the price tag is high.

2. Vehicles. *IFES also recommends that donors pursue the possibility of leasing some of the vehicles and other high-value equipment needed for the election period.*

3. Ink. *IFES recommends that USAID and the Embassy monitor progress of the Election Commission in securing adequate quantities of appropriate ink for marking the fingers of voters and thus deterring double voting.* We learned from our discussions at the Election Commission that it was still working on this problem and, although EC officials did not request assistance in this area, it may prove to be one in which IFES assistance could later prove helpful.

4. Printing and Paper. *IFES recommends that USAID and the Embassy monitor the Commission's progress in securing adequate supplies of paper for ballots and other needs.* Although the Commission seemed confident of its ability to deal with these issues, there were indications that it had not identified adequate supplies of quality paper for ballots and other requirements, and that it might also find it difficult to arrange the printing of constituency-specific ballots on a timely basis.

B. Technical Assistance

1. Local Election Monitoring. *IFES recommends, in response to concerns about election-related violence and intimidation, seminars, workshops or other programs aimed at helping citizens organize themselves at the local level to deal with these problems.* In view of the success of the programs of the National Movement for Free Elections (NAMFREL) in the Philippines, and the number of areas in which there may be parallels with the Nepal situation, the IFES team strongly recommends that a visit by a senior official of NAMFREL to Nepal be arranged. Such a program would not only reflect USG interest in free and fair elections but would focus local publicity on the substantive issue and also generate recommendations for additional programs.

2. Voter Education. *IFES recommends the preparation, publication and dissemination of a simple brochure in Nepali, outlining the rights and responsibilities of the voter and also focusing on constitutional and legal rights.* This project could be coordinated with and draw on the expertise of local NGOs but it would need to be carefully coordinated with the EC and government, to ensure that it does not duplicate other information programs.

3. Other Training Possibilities. *IFES recommends further consultation on the possible need for training programs not identified during the team's visit.* Although no request was received for formal training, such possibilities, which may be

clearer after promulgation of the election law, could include training of local election observers, poll watchers, and other categories of personnel.

4. Retrospective Election Analysis. *IFES recommends the preparation of a post-election analysis to be prepared by Nepali experts in different fields---lawyers, political scientists, elections experts, women, journalists, etc.* This document, which would also include a "lessons learned for the future" section, would provide an objective, multi-disciplinary, and uniquely Nepali assessment of the 1991 elections. Such a project would generate valid and important information highly relevant to the next cycle of democratic elections in Nepal.

C. Election Observation Issues. *IFES strongly recommends---based on the near-universal desire expressed by the Nepalis with whom our team met, and on the government's clear intention to welcome observers---that preparations proceed for a substantial observer mission for the spring 1991 elections. The following considerations will be important:*

1. The observer team should be international in makeup, and as broadly representative as possible. On the U.S. side, it could include representatives of IFES, NDI, NRI, Asia Foundation, and other institutions.

2. The team should be of substantial size---probably 30-40 at a minimum. An adequate and balanced observer effort would ensure coverage of both urban and rural constituencies, and also constituencies in the three major regions of the country: Tarai, hills, and mountains. Since most of Nepal's 14 zones embrace all three categories, one possible strategy would be to field one team of two observers per zone. In addition to field teams, a Kathmandu support and coordination component would be needed.

3. Planning for the observer mission (see items 5 and 6, "Conclusions," above) will need to be exhaustive given the special challenges which Nepal will present, and should start as soon as the election date is announced.

4. It will be important for those organizing a U.S. observer mission to remain closely aware of election observing plans of other entities, including NGOs, Nepalese organizations and foreign governments also supporting or involved with election observing, to ensure that different efforts mesh and that duplication or other problems are involved. In the case of observing missions organized by foreign governments, the local U.S. organizer will need to rely on the guidance of USAID and/or the Embassy.

Annex A

Election-Related Provisions of the Constitution

PART 8

LEGISLATURE

44. Constitution of Legislature : There shall be a Legislature to be called the Parliament which shall consist of His Majesty and the two Houses of Parliament namely the House of Representatives and the National Council.

45. Constitution of The House of Representative : (1) The House of Representative shall consist of two hundred and five members.

(2) For the purposes of election to the House of Representatives the administrative districts shall be deemed to be the election districts and the number of seats to be allocated to each district shall be in the ratio of the population of that district which has been determined by the census held prior to the concerned election. The ratio of seats to be allocated shall be based on the number of such population of a district, and as far as possible such number of seats in any district shall be in the same ratio between the population and the number of seats amongst all the districts. The election constituencies shall be determined in the ratio of one constituencies for one seat thus allocated.

Provided that at least one seat shall be allocated for purposes of election from one district irrespective of its population.

(3) Unless dissolved earlier pursuant to the provisions of this Constitution, the term of the House of Representatives shall be five years.

Provided that during the existence of State of Emergency the term of the House of Representative may be extended by an act upto a maximum period of one year.

(4) The term of the House of Representative as extended in pursuance of the provision of clause (3) shall automatically stand terminated after the expiry of six months from the date on which the State of Emergency is withdrawn.

(5) Subject to the provisions of this Constitution, election to the membership of the House of Representative shall be made on the basis of one man one vote through secret ballots in accordance with the provisions of law.

(6) Any citizen of Nepal who has attained the age of eighteen shall be entitled to vote in any one of the election constituencies in the manner specified by law.

(7) Any person entitled to vote in the election for the House of Representatives may, subject to the provisions of Article 47 and the existing laws, contest election from any of the electoral constituencies.

(8) Any vacancy of a member while the term of the House of Representatives still remains shall be filled through bye-election.

(9) Subject to the provisions made in this Article, election to the House of Representative and other matters pertaining thereto shall be carried out in accordance with the law.

46. Constitution of the National Council and the Tenure of Office of the Members : (1) The National Council shall consist of sixty members in the following ratio :

- (a) Ten members to be nominated by His Majesty from persons who having rendered prominent service have distinguished themselves in the various field of national life.
- (b) Thirty five members including at least three women members to be elected by the House of Representatives in accordance with law pursuant to the system of proportional representation by means of the single transferable vote:
- (c) Fifteen members at the ratio of three members from each of the Development Regions to be elected in accordance with the system of single transferable vote by the electoral college consisting of the Chairmen and the Deputy Chairmen of the Village and Town Level Local Committees and the Chairmen, Deputy Chairmen, and the members of the District level Local Committees.

Provided that until elections are held in local committees, such electoral college shall, for the first time, consist of the members of the House of Representatives representing the concerned Development Region.

(2) The National Council shall not be subject to dissolution. One third of its members shall retire every two years.

(3) The tenure of office of the members of the National Council shall be six years. Provided that for the first time after the commencement of this Constitution, arrangement shall be made through lottery to retire one third of the

members on the expiry of first two years, another one third on the expiry of four years and the rest of one third on the expiry of sixth year.

(4) The term of office of the members, including the vacancies, shall start to run from the date on which National Council commences its first session.

(5) Vacancies of members in the National Council shall be filled in the same manner of election or nomination in which the seat of the vacating member was filled.

(6) In case any seat of a member of the National Council falls vacant while his tenure still remains, the vacancy shall be filled by election or nomination, as the case may be, for the remaining period.

47. Qualification for Membership : (1) In order to become a member of the Parliament a person shall -

- (a) be a citizen of Nepal,
- (b) have attained twenty five years of age for the House of Representatives and thirty five years for the National Council;
- (c) not be disqualified under any law; and
- (d) not have held an office of profit.

Explanation : For the purpose of this clause, office of profit means and includes position, other than a political position to be filled by election or nomination, of which the salary or remuneration is paid out of the Government treasury; and

(2) No person shall be a member of both the Houses simultaneously.

48. Decision as to Disqualification of Members : If a question arises whether a member of Parliament possesses or has ceased to possess any of the qualifications as laid down in Article 47, the matter shall be referred to the Chief Justice or any other judge of the Supreme Court designated by the Chief Justice for final decision.

49. Vacation of seat (1) The seat of a member of Parliament shall become vacant in the following circumstances :

- (a) he dies; or
- (b) he resigns in writing; or
- (c) he does not or has ceased to possess qualification mentioned in Article 47; or
- (d) on the expiry of the tenure of his office or on the expiry of the term of his House as provided in this Constitution; or
- (e) he, without the leave of the concerned House, absents himself consecutively from thirty meetings of House; or
- (f) the party of which he being a member was elected on that basis notifies in the manner laid down by law that he has ceased to be a member of that party.

50. Oath : - The members of each House of the Parliament shall, before taking part for the first time in the meeting of the House or any of its committees, take oath in the specified form.

PART 15

ELECTION COMMISSION

103. Election Commission : (1) There shall be an Election Commission of the Kingdom of Nepal consisting of the Chief Election Commissioner and such number of other commissioners as may be deemed necessary. In case, other Election Commissioners also are appointed, the Chief Election Commissioner shall act as the Chairman.

(2) The appointment of the Chief Election Commissioner and other Election Commissioners shall be made by His Majesty on the recommendation of the Constitutional Council.

(3) The term of office of the Chief Election commissioner and other commissioners shall be six years and they shall be eligible for reappointment.

Provided that -

(a) the Chief election commissioner or other Commissioners shall retire upon completion of sixty five years age;

(b) the Chief Election Commissioner and other Commissioners may be removed from office on the same ground and in the same manner as has been laid down for removal of a judge of the Supreme Court.

(4) The office of the Chief Election Commissioner and other Commissioners shall be deemed vacant in the following situations :

(a) he dies; or

(b) his resignation in writing submitted to His Majesty is accepted; or

(c) his tenure is completed or is removed from office pursuant to clause (3) above.

(5) Any person to be eligible for appointment as the Chief commissioner or Commissioners must have the following qualifications.

(a) He holds a graduate degree from any University which is recognised by His Majesty's Government; and

(b) He is not a member of any political organisation at the time of appointment;

(c) He has completed the age of forty five years.

(6) The remuneration and other conditions of service of the Chief Commissioner and other Commissioners shall be as laid down by law. The terms and conditions of service of the Chief Commissioner and other Commissioners shall not be altered to the detriment of the incumbent.

(7) Any person once appointed as the Chief Commissioner or other Commissioners shall not be eligible for appointment in other Government services.

(a) Provided that nothing mentioned herein shall be a bar on the appointment of a Commissioner as the Chief Commissioner whose term of office shall be computed from the date of his first appointment as the Commissioner.

(b) Provided further that nothing mentioned in this clause shall be deemed to be a bar on the appointment of a person who has either worked in an office of political nature or worked in any office which has the function of carrying out inquiry or investigation or of submitting recommendation and opinion after making study research or investigation on any subject.

104. Functions, Duties and Powers of the Election Commission : (1)

The Election Commission shall subject to the provisions of this Constitution and other laws, conduct, supervise, direct and control the election to the Parliament and other local organisations of village, town and district levels. The electoral rolls of the voters for the above purposes shall also be prepared by the Election Commission.

(2) If after the nomination for election to Parliament has been filed a question arises before the election is completed that a candidate suffers or has become disqualified pursuant to Article 47, final decision thereon shall be made by the Election Commission.

(3) The Election Commission shall have the power to delegate some of its powers to the Chief Election Commissioner or any other Election Commissioners or to any officer of His Majesty's Government subject to the conditions specified in the authority letter. The person so delegated shall comply with or exercise the delegated powers only.

(4) Other functions, duties and procedures of the Election Commission shall be laid down by law subject to the provision of the Constitution.

105. Election Constituency Delimitation Commission : (1) His Majesty shall on the recommendation of the Constitutional Council constitute an Election Constituency Delimitation Commission. The tenure of this Commission shall be as fixed by His Majesty.

(2) The Election constituency Delimitation Commission shall, subject to the provisions of Article 45. and after determining the number of seats from each district for election to the House of Representatives delimit the Constituencies for districts having more than one seat. The Commission shall take into consideration the boundaries of the administrative districts, geographical factors, density of population, transportation facilities and communal homogeneity or heterogeneity of the local residents.

(3) No question shall be raised in any court of law on the matter of allocation of seats and the delimitation of constituencies pursuant to clause (2) made by the Election Constituency Delimitation Commission.

(4) The remuneration and conditions of service of the Chairman and other commissioners of the Election Constituency Delimitation Commission shall be at par with the Chief Election Commissioner and the Election commissioners respectively.

(5) Other functions, duties and procedures of the Election Constituency Delimitation Commission shall be laid down by law subject to the provisions of this Constitution.

106. Election Tribunal : Election Petitions shall be heard and decided by the Tribunal specified by law.

107. Restriction on Courts to Interfere in matters relating to Election : Except in matters where election petition has been filed pursuant to Article 106, no question shall be raised in any court regarding any election to the membership of the Parliament notwithstanding anything mentioned in other Articles of the Constitution.

108. His Majesty's Government to Provide Employees to the Election Commission : His Majesty's Government shall provide to the Election Commission such number of employees and other materials as may be required to carry out the functions of the Election Commission.

Annex B

Map and Population Chart of Electoral Constituencies



NEPAL

(ADMINISTRATIVE)

Scale 1:200,000
 Kilometres 0 20 40 60 80 100 120 140 160 Kilometres

BOUNDARY	
International, Regional, Zonal, District	
HEADQUARTERS	
Capital, Development, Zonal, District	
ROAD	
Highway, Metalled, Unmetalled, Under Construction	
River, Lake, Peak, Pass	

Published by Survey Department Topographical Survey Branch 1981

Election Commission
Bahadur Bhanan
Kathmandu, Nepal

Assume: N = 205

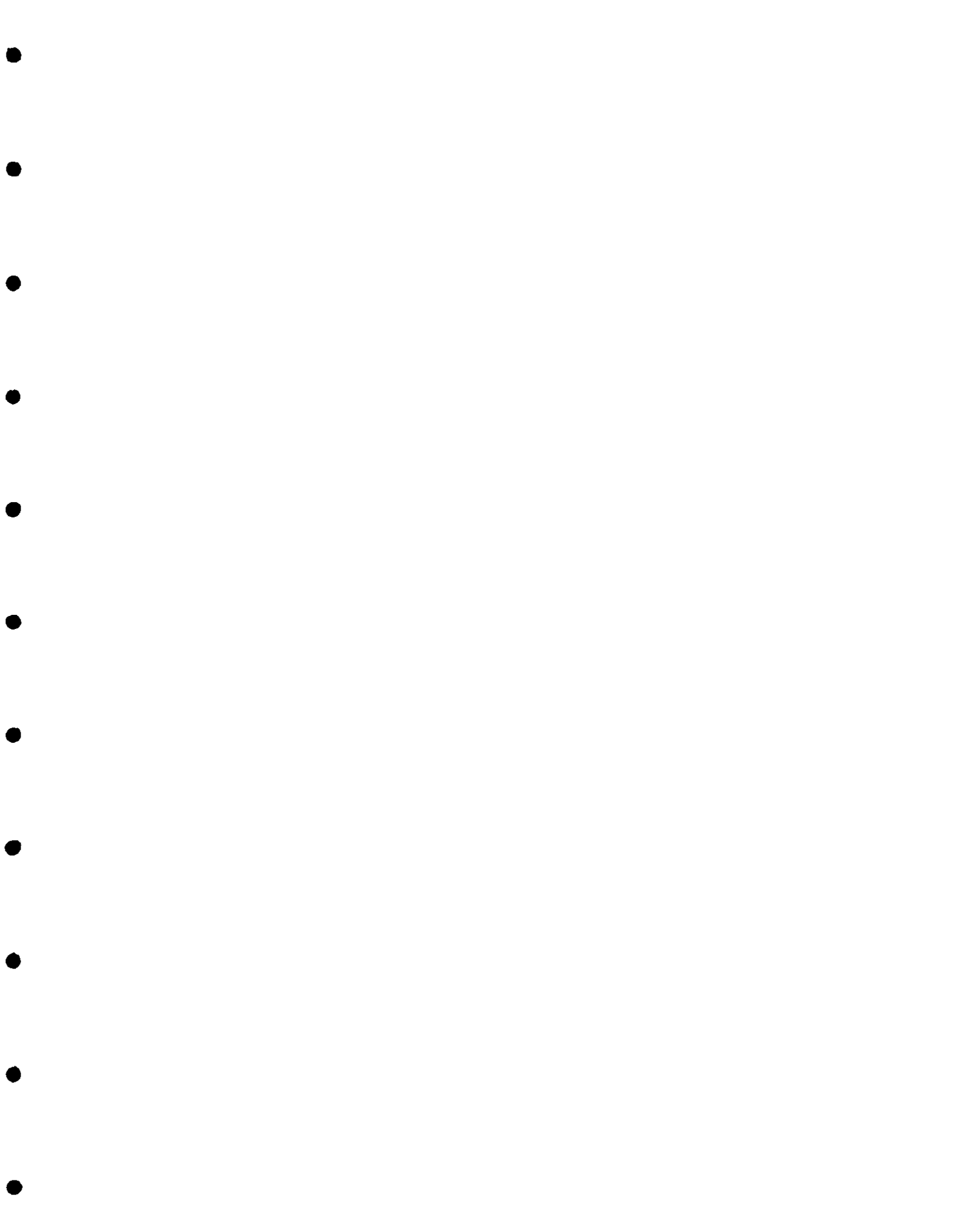
Voters List 1990

ZONE	S.N	District	T.Voters
Mechi	1	Taplejung	77027
	2	Panchthar	108380
	3	Ilam	125854
	4	Jhapa	311201
		Zone Total	622462
Koshi	5	Morang	357526
	6	Sunsari	252279
	7	Dhankuta	86619
	8	Trehathum	65894
	9	Bhojpur	130256
	10	Sankhuwasaba	94116
		Zone Total	986690
Sagarmatha	11	Solukhumbu	59481
	12	Khotang	136747
	13	Okhaldhunga	95190
	14	Udayapur	115041
	15	Spatari	264642
	16	Siraha	260565
		Zone Total	933666
Janakpur	17	Dolakha	113894
	18	Ramechhap	123118
	19	Sindhuli	124564
	20	Dhanusa	288358
	21	Mahottari	246473
	22	Sarlahi	274165
		Zone Total	1170572
Bagmati	23	Rasuwa	21450
	24	Dhading	173342
	25	Nuwakot	150710
	26	Kathmandu	380018
	27	Bhaktapur	105489
	28	Lalitpur	149621
	29	Kabhre	208214
	30	Sindhupalchok	169868
		Zone Total	1356732

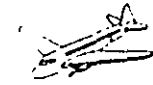
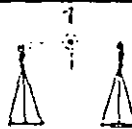
Narayani	31	Makawanpur	166309
	32	Rautahat	237473
	33	Bara	221281
	34	Parsa	201224
	35	Chitawan	185318
		Zone Total	1011605
Gandaki	36	Gorkha	170667
	37	Manang	6051
	38	Lamjung	105874
	39	Kaski	175895
	40	Tanahu	172434
	41	Syangja	211867
		Zone Total	842788
Lumbini	42	Gulmi	179726
	43	Palpa	143811
	44	Argekhanchi	113725
	45	Nawalparasi	224435
	46	Rupandehi	274913
	47	Kapilbastu	211056
		Zone Total	1147566
Dhaulagiri	48	Mustang	10634
	49	Myagdi	65933
	50	Baglung	155832
	51	Parbat	108939
		Zone Total	341338
Rapti	52	Rukum	87308
	53	Rolpa	110475
	54	Pyuthan	104931
	55	Salyan	103625
	56	Dang	179105
		Zone Total	585444
Karnali	57	Dolpa	16328
	58	Mugu	23179
	59	Jumla	43436
	60	Kalikot	56155
	61	Humla	22669
		Zone Total	161767
Bheri	62	Jajarkot	66225
	63	Dailekh	105755
	64	Surkhet	115292
	65	Banke	148284
	66	Bardiya	129844
		Zone Total	565400

Seti	67	Bajura	57116
	68	Achham	139391
	69	Bajhang	88445
	70	Doti	102187
	71	Kailali	200159
		Zone Total	587298
Mahakali	72	Darchula	60122
	73	Baitadi	122962
	74	Dadeldhura	74536
	75	Kanchanpur	117430
		Zone Total	375050
		Grand Total Voters	10688478

Annex C
Sample Ballot



मतपत्र (संघर्ष निर्वाचन)



मनदान अधिकृतको सही

Annex D

Government List of Officials
Compendium of Nepalese Political Parties

INTERIM CABINET

(Formed April 19, 1990)

Chief of State

King BIRENDRA Bir Bikram Shah Dev

Council of Ministers

Prime Minister, Royal Palace Affairs, Foreign Affairs, and Defense	Krishna Prasad BHATTARAI (NCP)
Home and Communications	Yog Prasad UPADHYAYA (NCP)
Finance	Dr. Davendra Raj PANDEY (I)
Industry and Commerce	Mrs. Sahana PRADHAN (ULF)
Agriculture, Land Reform & Management, and Forests & Soil Conservation	Jhala Nath KHANAL (ULF)
Law & Justice, Labor & Social Welfare, and Tourism	Nilambar ACHARYA (ULF)
Health	Dr. Mathura Prasad SHRESTHA (I)
Education & Culture, and General Administration	Dr. Keshar Jung RAYAMAJHI (K)
Housing and Physical Planning	Achyut Raj REGMI (K)
Water Resources and Local Development	Mahendra Narayan NIDHI (NCP)
Supplies and Works & Transport	Marshal Julum SHAKYA (NCP)

Key: NCP - Nepali Congress Party = 4
ULF - United Left Front = 3
K - Appointed by the King = 2
I - Independent = 2

out of 11

Nepalese Political Parties:
A Compendium

The following list is an attempt to summarize the range of political parties in Nepal as of about November 1, 1990. A high percentage of these parties appear to be small and organized by one or a few individuals with limited followings. This listing is necessarily selective in its treatment, and characterizations about ideological orientation are in some cases notional. Where there is only a summary listing of a party, this indicates either that little is known about the organization and/or that it appears to have a very limited following.

I. Conservative/Rightist Parties.

1. National Democratic Party (Thapa) Founded summer of 1990 in Kathmandu. Leadership: Former Prime Minister and Pancha leader Surya Bahadur Thapa, other former establishment politicians generally associated with "liberal" wing of Pancha politics. Orientation: conservative to centrist. Objectives: mixed economy with substantial role for private sector; balance, non-aligned foreign policy; constitutional monarchy and the multi-party system; protection of civil liberties; religious freedom; constituencies should be delimited on basis of population, geography and administrative needs.
2. National Democratic Party (Chand) Founded summer of 1990, Kathmandu. Leadership: Former Prime Minister and Pancha leader Lokendra Bahadur Chand; others include former minister Pashupati S.J.B. Rana, Rajeshwor Devkota, and other former Pancha politicians, mostly associated with conservative elements. Orientation: conservative/moderate. Objectives: an open and competitive economy; socialism and a mixed economy cannot fulfill the need for modernization of the industrial sector; constitutional monarchy and respect for the Crown; non-alignment.
3. Rastriya Prajatantrik Ekata Panchaya Party (National Democratic Unity Panchayat Party). Founded 8/2/90, Kathmandu. Leadership: Mr. Karna Bahadur Singh, General Secretary. Objective: establishment of a constitutional monarchy with adequate powers to the King.
4. Nepal Janahit Party (Nepal Welfare Party) Founded late July, 1990. Headquarters: Kathmandu. Leadership: Mr. Dhan Bahadur Basyal, others including 85-member Central Executive Committee. Objective: Support the UN Charter and the principles of non-alignment.
5. Nepal Rastrbadi Gorkha Parishad (Nepal Nationalist Gorkha

Council). Founded March 1951 as part of Rana revivalist politics; involved in violence and confrontational anti-Congress politics in that era. Finished second in 1959 general elections with 19 seats out of 109. Some senior leaders later joined Congress or Pancha camps. Party reactivated mid-September 1990, Kathmandu. Leadership: Ranadhir Subba (former Foreign Minister), others unknown. Objectives: safeguarding of national sovereignty and development of democracy; mixed economy.

6. Samyukta Prajatantra Party (United Democratic Party). Founded 1955 by Dr. K.I. Singh (deceased); ceased functioning 1960. Revived late July 1990, Kathmandu. Leadership: Ad Hoc Committee of Mr. K.B. Shahi, Mr. Keshav Chandra Gautam, Mr. Prem Bahadur Shakya and Mr. Triveni Kurmi. Orientation: rightist. Objectives: not known.
7. Nepal Panchayat Parishad (Nepal Panchayat Council). Founded 9/90, Kathmandu. Leadership: Mr. Jeebvan Lal Shrestha, General Secretary; Mr. Shakti Ram Bhandari, Spokesman; 9-member Ad Hoc Committee. Orientation: rightist. Objectives: unknown.

II. Centrist Parties

1. Nepal Congress Party. History: Founded 1947, has been in continuous operation since that time. In 1959 general elections, won overwhelming majority of 74 seats out of 109, and formed Nepal's first democratically elected government. After suspension of government and outlawing of parties in 1960, and promulgation of 1962 constitution, Nepal Congress Party remained active and maintained network of organization and activists throughout Nepal continuously. In 1981, Congress boycotted national elections and in 1986 did not participate. However, Congress did permit its members to compete in 1987 local elections as individuals and enjoyed considerable success across the country. In 1990, Congress organized January rally and, jointly with Communist parties, jointly organized mass rallies and demonstrations in favor of multi-party democracy culminating in removal of ban on political parties and promulgation of new constitution. Headquarters: Kathmandu, offices throughout country. Leadership: Ganesh Man Singh, Supreme Leader; Krishna Prasad Bhattarai, President (and Prime Minister, interim government), Girija Prasad Koirala, General Secretary; others. Orientation: centrist/social democratic (member of Socialist International), favors constitutional monarchy, multipartyism, guarantees of civil liberties, mixed economy, nonaligned foreign policy
2. Green Democratic Party. Founded 5/13/90, Kathmandu. Leadership: Mr. Rabindra Nath Khanal, President, others. Khanal was active pro-NCP leader, later jointed Panchas and lost election bid from Tanahun District. Orientation:

centrist. Objectives: direct participation of citizens in all affairs of state, local self-government, local community control and ownership of local natural resources, a self-reliant economy, and development-oriented federative and multi-party system.

3. Nepal Sarbodaya Samajbadi Party (Nepal Omnipotent Socialist Party) Founded 6/90, Kathmandu. Leadership: Mr. Pitamber Gautam, President; Mr. Parusuram Upadhaya, VP; Mr. Hari Shanker Upadhaya, General Secretary, others. Orientation: centrist, reportedly composed of former Pancha elements. Objectives: constitutional monarchy, nationalism, economic freedom, and social equality; nonalignment in foreign policy. (See 16., below)
4. Women's Democratic Party. Founded 6/90, Kathmandu. Leadership: Mrs. Kishori Acharya, head of 11-member Central Committee. Orientation: centrist. Objectives: safeguarding multi-party democracy and promoting the rights, interests and freedom of Nepali women.
5. Janata Dal (Samajbadi Prajanantrik) (People's Party (Socialist Democratic)). Founded 6/20/90, Kathmandu. Leadership: Dr. Keshar Jung Rayamajhi, Convenor (and Minister of Education and Culture, interim cabinet); Mr. Shanker Bahadur Rajbhandari, spokesman; 7-member Advisory Committee. Orientation: centrist. Objectives: maintaining law and order, creating situation in which fundamental rights can be exercised and of exploitation-free society through democratic socialism in framework of constitutional monarchy; non-alignment and peaceful coexistence; equal friendship with India and China; mixed economy; Nepal should remain a Hindu state.
6. Conservative Party. Founded 6/90, Kathmandu. Leadership: Mr. Bharat Bahadur Bishural. Orientation: centrist. Objectives: aims at leading the country along a democratic path in cooperation with the Nepali Congress and the ULF while preserving Nepal's traditional art and culture. (See 16., below)
7. Liberal Democratic Party of Nepal. Founded 7/90, Kathmandu. Leadership: Mr. Dhanapati Poudel, President; Mr. Diwaker Sharma, Secretary; others. Orientation: centrist. Objective: to safeguard national independence, identity and unity through democratic means and participation in nation-building.
8. Rastriya Janata Party. (National People's Party). Founded Kathmandu, 7/90. Leadership: former Minister of State Jaya Prakash, President; Dr. Ratna Kamal Vaidya, chief spokesman. Orientation: centrist. Objectives: peace, truth and non-violence with full faith in a Hindu state, human rights and socialism, on the basis of multi-party

democracy and constitutional monarchy. (see 16., below)

9. Nepal Samajbadi Parishad. (Nepal Socialist Council). Founded 8/90, Kathmandu. Leadership: Mr. Bhai Raj Pande, President; 17-member Central Committee. Orientation: center-left. Objectives: promoting the socialist-communist ideology in Nepal.
 10. Nepali Janata Party (Nepali People's Party). Founded 9/90, Kathmandu. Leadership: unknown. Orientation: centrist. Objectives: consolidate multi-party democracy under consitutional monarchy
 11. National Youth League of Nepal. Founded 9/8/90, Kathmandu. Leadership: Mr. Khalendra Bikram Shahi, Convornor; Mr. Upendra Shah, spokesman. Orientation: centrist. Objectives: consolidate multi-party democract under constitutional monarchy for the well-being of the youth of the country.
 12. Nepal Democratic Youth League. Leader: Mr. Shanker Lal Shrestha. No other information.
 13. Nepal Janata Dal (Nepal People's Party) Founded 6/90, Kathmandu. Leadership: Mr. Hari Prasad Pokhrel, President; Mr. Ram Chandra Kafle, spokesman; others. Orientation: centrist. Objective: cosolidation of the multi-party democratic system and fighting against corruption and revengeful activities in a democratic manner.
 14. Prajanatric Samyukta Morcha (Democratic United Front) Founded 7/90, Kathmandu. Leadership: Founded by "Sisu Pancha", Mr. Prakash Man Singh, Central Spokesman. Orientation: centrist. Objective: nationalism; equality without political discrimination; developing institutions to control oppressive tendies of the government; promoting freedom of speech and safeguarding fundamental rights.
 15. Nepal Rastriya Loktantrik Dal (Nepal National Democratic Party) Kathmandu. Leadership: Mr. Buddhi Bahadur Rayamaji; Mr. Binod Kuman K.C.; no other information. (see 16.)
 16. Nepal Prajatantrik Morcha (Nepal Democratic Front) Founded late October 1990 in Kathmandu by representatives of several small parties listed under 3, 6 8, and 15, above. Leadership: Dr. Kashi Raj Upadhyaya, Convenor; leaders of other parties listed. Orientation: centrist.
- III. Parties of the Left Note: due to the outlawed status of these parties over many years, information in many cases is incomplete.

(United Left Front---ULF) The United Left Front is a coalition of seven Communist parties which agreed to

cooperate in late 1989, and which played an extremely important role in mobilizing opposition to the panchayat system and in favor of multi-party democracy. It participates as a coalition, along with the Nepali Congress Party, in the interim government, and has three members of the interim cabinet.

1. Nepal Communist Party (Marxist-Leninist). Founded 1977 in eastern Terai region, with early association with Naxalite violence in that area. Leadership: C.P. Mainali, R.K. Mainali, interim Minister of Agriculture, Land Reform and Management, Jiv Raj Ashrit, Madan Bhandari, others. Orientation: Marxist-Leninist (renounced Maoism in 1989). Objective: centrally planned economy on socialist/communist principles; participation in 1991 elections.
2. Nepal Communist Party (Marxist). Leadership: Man Mohan Adhikary, interim Minister of Industry and Commerce Mrs. Sahana Pradhan, others. Orientation: Marxist; characterized by some other Communist factions as accommodationist in approach. Objective: socialist organization of society, acceptance of limited monarchy; participation in elections.
3. Nepal Communist Party (Manandhar). Leadership: Bishnu Bahadur Manandhar, interim Minister Law and Justice, Labor and Social Welfare, and Tourism Nilamber Acharya, Bhim Bahadur Shrestha, others. Orientation: Marxist/Communist; traditionally influenced by Moscow. Objective: socialist society, peaceful coexistence and nonalignment; participation in elections.
4. Nepal Communist Party (Amatya). Leadership: Tulsi Lal Amatya. Orientation: Marxist. Objective: socialism and democracy; limits on monarchy; participation in 1991 elections.
5. Nepal Communist Party (Varma). Leadership: Krishna Raj Varma. Orientation: Marxist/socialist. Objective: socialism, limited monarchy, participation in elections.
6. Nepal Communist Party (Fourth Convention). Leadership: Nirmal Lama, Nar Bahadur Karmacharya, Leela Mani Pokhrel, others. Orientation: socialist. Objective: socialism, multi-party democracy, constitutional monarchy, participation in elections.
7. Nepal Communist Party (Masal). Leadership: Mohan Bikram Singh Gharti, Dr. Baburam Bhattarai, others. Based in India. Orientation: Marxist-Leninist. Objective: organization of Nepalese society on Maoist/Stalinist lines
8. Nepal Communist Party (Shambhu Ram). Leadership: Shambhu Ram. Orientation: hardline Marxist-Leninist.
9. Nepal Marxist Leninist Party (K.D.). Leadership: K.D.

Shrestha. Orientation: Marxist-Leninist.

10. Nepal Labor and Peasants Union. Leadership: Narayan Man Bijuckchhe ("Rohit"), Govinda Duwal. Orientation: Marxist, traditionally Chinese-influenced, with base in Bhaktapur.
11. Nepal Communist Party (Mashal). Leadership: Pushpa Kamal Dahal ("Prachanda"), Bhakta Bahadur Shrestha, Mohan Baidya, others. Orientation: Marxist-Leninist. May not participate in elections.
12. Nepal Proletarian Labor Union. Leadership: Roop Lall Bishwakarma. Orientation: Marxist-Leninist, reportedly extremist.
13. Nepal Communist Party (Prasai). Leadership: N.K. Prasai. Orientation: Communist.
14. Nepal Communist Party (Janamukhi) Leadership: Roop Chandra Bista, others. Orientation: left-wing, "people-oriented" party.
15. Nepal Communist Party (Sixth Convention). Leadership: Narayan Bahadur Thapa. Orientation: Communist.
16. Nepal National People's Liberation Front. Leadership: Gore Bahadur Khapangi, General Secretary. Orientation: unclear. (see V. 1, below)
17. Nepal Communist League. Founded Kathmandu, 8/90. Leadership: Shabhu Ram Shrestha. Orientation: Radical left Communist; hails PRC, Albania, DPRK and Cuba for firm adherence to Communist principles.

IV. Regional Parties

1. Nepal Sadvabana Party (Nepal Goodwill Party). Founded 4/90, Kathmandu, succeeding Nepali Sadvabana Parishad (Nepali Goodwill Council). Leadership: Gajendra Narayan Singh, former MP; Narsingh Choudhary; Harsalal Singh Rajbansi, others including Central Executive Committee. Orientation: promotion of interests of Tarai region of Nepal. Objectives: specific measures to redress past grievances against Tarai people, including repatriation of hill people to hill regions of Nepal; democratic-socialist society; Hindi as a second national language; special relationship with India in the framework of nonalignment.
2. Nepal Tarai Unity Forum. Founded 6/90, Kathmandu. Leadership: Mr. Dinesh Chandar Mani Tripathi. Orientation: Tarai. Objectives: to oppose communal and separatist sentiments between hill and Tarai people as well as communalism in politics.

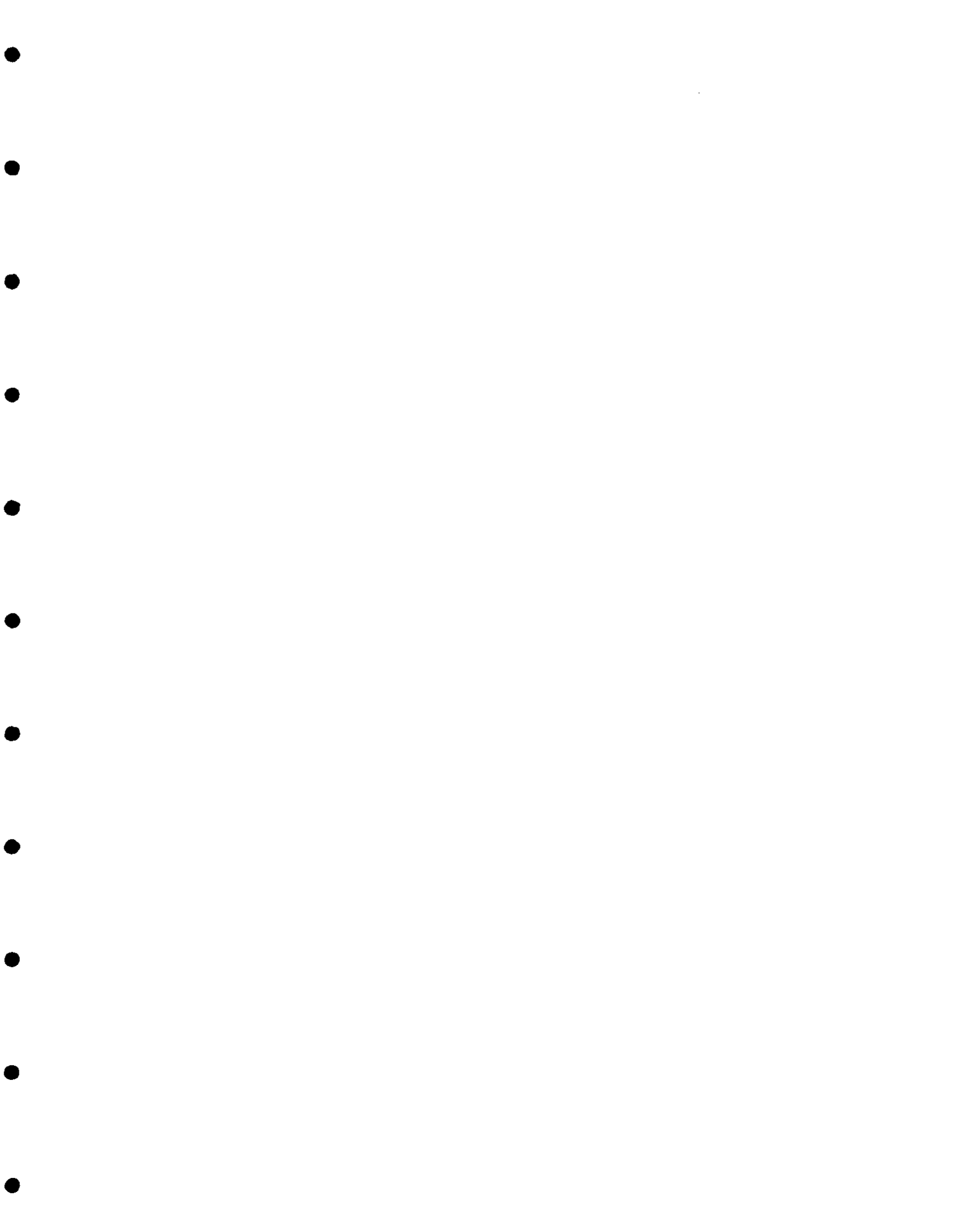
3. Nepal Tarai Communist Party. Founded 7/90, Janakpurdam. Leadership: Mr. Gopal Jha. Orientation: Tarai, ideology apparently non-communist despite name. Objective: favors multi-party system, creation of four regional autonomous region, including two for the Tarai; opposition to separatism.
4. Nepal Tarai Muslim Congress Party. Leadership: Mr. Sheikh Abdul Shalam, others. Some organization, apparently, in Tarai region. Orientation: Tarai/religious.
5. Nepal Tarai Sangathan (Nepal Tarai Association). Formed 9/90, Kathmandu. Leadership: Mr. Shyam Narayan Lav, others. Orientation: Tarai. Objective: to promote the interests of Tarai people in the Kathmandu Valley.

V. Ethnic Parties

1. Nepal Rastriya Jana Mukti Morcha (Nepal National People's Liberation Front). Founded 5/90, Kathmandu. Leadership: Mr. M.S. Thapa, President; Gore Bahadur Khapangi, General Secretary, others; some regional organization. Orientation: ethnic, secular, combining representatives of different ethnic minorities. Objectives: establishment of a federal secular state with provisions for local autonomous units based not on geography but on ethnic communities; favors separation of powers; possibly anti-Indian in foreign policy.
2. Rastriya Mongol Sangathan (National Mongol Organization). Founded 1/89, Kathmandu. Leadership: Mr. Gopal Guron, General Secretary; Mr. Tek Bahadur Phago. Orientation: ethnic, secular. Objective: promotion of Rai and Limbu ethnic communities of Nepal.
3. SETAMAGURALI (acronym of names of different ethnic groups in Eastern Nepal). Leadership: Mr. Chandra Prasad Yongche. Orientation: ethnic. Objective: to gain advantages for eastern Nepal ethnic groups.
4. Mongol National Party. Orientation: ethnic/Eastern Nepal.
5. Nepal Kirat Adhibasi Janajiti Morcha. Leadership: Mr. Shiva Prasad Yangya, President. Orientation: ethnic/Eastern Nepal. Objective: greater role for Kirat people of eastern Nepal; federal, secular system; abrogation of Nepal-India Treaty of Peace and Friendship.
6. Limbuwan Mukti Morcha. Leadership: Mr. Bir Nemang. Orientation: ethnic. Objective: autonomy for Limbu people of Nepal.

Annex E

Election Commission Calendar of Operation



Annex F

National Election Commission Document:
"Strengthening the Election Commission to Conduct the
Multi-Party System in Nepal"

STRENGTHENING THE ELECTION COMMISSION TO CONDUCT THE MULTI-PARTY DEMOCRACY ELECTION IN NEPAL

Nepal has an established Election Commission as a constitutional organ to supervise, direct and control the conduction of election for the National Legislature and local self government institutions. In the present context of Multi-Party Democracy. His Majesty's Government of Nepal is committed to conduct the General Election within ten months of this year. Due to the difficult geo-physical and terrain conditions, the increased number of voters, the Election plan is to be made as early as possible. The Election Commission feels necessary to revise, and redraft law concerning the election procedure to meet the present condition of the Multi-Party Democracy. It also feels necessary to strengthen the Commission by additional manpower, materials and equipments.

The estimated voter's number being 1,10,00,000 including the additional voters of 18 years of age, polling stations are also to be increased which is estimated to be 15,000. The manpower to be deployed during the Election is estimated to be about 1,50,000 including security personnels. They need to be trained and equipped with the modern communication and transport network.

To conduct the General Election, freely, fairly and sucessfully, Election Commission has already started preparing the reporting, certification of voters, etc. and further the Election Commission is already working to redraft the existing laws and by laws concerning Election to meet the conditions of Multy-Party Democracy.

The Election Commission also feels necessary to study and observe institutional establishments, electoral processes and modern communication systems and other equipments used in some of the democratic countries. It also welcomes the observers of any national or international agencies to observe the preparation and conduction of Election in Nepal.

In view of our resource constraints and offer of the friendly countries and institutions enclosed list of articles i.e, additional computers and accessories, wireless sets, communication equipments, printing & reproduction equipments, transportation and other equipments are prepared for those who like to provide us assistance in smooth conduction of the forthcoming General Election.

	Qty.
[A] Computers & Accessories (IBM Micro computers)	
1. IBM PC AT or compatible Micro computers with -640 KB RAM, - 1 X 40 MB hard disk, - 1 X 3.5" high density floppy disk drive, - 1 X CGA Adapter card, - 1 X Monochrome monitor, - 1 X serial and parallel ports, - 1 X keyboard.	30
2. IBM Compatible Micro computer with - to be used as file server, - 80386 processor, - 4 MB RAM - 2 X 150 MB hard disk, - 1 X 3.5" high density floppy disk drive, - 1 X Monochrome monitor, - 1 X serial port, - 2 X parallel ports, - 1 X 120 MB cartridge Tape Drive, - 1 X keyboard - Network Interface Card compatible with Novell.	2
3. High speed EPSON Dot matrix printer - compatible with IBM micro computers, - 400 cps or more, - Parallel Interface,	6
4. NOVELL Net ware operating system and all its accessories,	2
5. Laser printers - 8 -10 copies per minute -A4 size paper	2
6. Printer ribbons for item A [3]	400
7. 3.5" high density (1.44MB) diskettes	100 box
8. 120 MB cartridge for item A [2]	30
9. Toner / Developer for item A[5]	20
10. SP55 / PC software package	1
11. Large size Display Monitor compatible with item A [1] to be used for public Display.	4
[B] Computers and Accessories (Apple Macintosh)	
1. Mac IIX computers: - 160 MB hard disk, - 4 MB RAM, - 1 X 3.5" floppy disk drive, - colour, high resolution RGB monitor with 8 bit video card, - facility of using as file server with upto 16 terminals, - 1 X keyboard, - 80 MB cartridge tape back up drive.	2

	Qty.
2. Mac SE computers: - 1 MB RAM, - 20 MB hard disk, - 1 X 3.5" floppy disk drive, - Monochrome monitor with adapter. - 1 X keyboard,	8
3. Laser printers to used with items B[1] & B[2] - Min 8 copies per minute - A4 size	2
4. High speed Image Writer to be used with B[1] & [2]	2
5. Printer ribbons to be used with item B[4]	200
6. Toner / Developer to be used with item B[3]	60
7. Cartridge Tape to be used with item B[1]	40
8. 3.5" high density diskettes to be used with item b[1] & B [2]	100 box

[C] Communications Equipemnts:

1. FAX machine	75
Type :- Desk-top/p CCITT standard G2 / G3 transceiver, - Half-Duplex,	
Applicable line :- PSTN / 2W- Private Wire Transmission :- 9600 / 7200 / 4800 / 2400bps speed	
Coding system :- Modified Huffman (MH) -Modified Reed (MR)	
Document Size :- ISO A4 size (210mm) standard document	
Resolution :- Horizontal : 8 pel / mm -Vertical : 3.85 line / mm(Standard) 77 line / mm (fine)	
Recording paper :- Thermal Recording paper - 210 mm (w) 400 Roll	
Automatic document feeder Up to 30 documents	
Features :- Automatic recording / Automatic disconnection contrast control polling, voice request, sender identification,	
Power :- 90 V - 260 V.A.C., 47Hz-64Hz - 140 VA - Normal transmit) - 240 VA - (Receive)	
2. 1200 / 2400 / 4800 bps dial up modems	20 pairs
3. Fax cards and software to be used with items A[1] & A[2].	10 sets
4. Solar powered wireless set	100 sets

Qty.

[A] HF SSB SYNTHESIZED TRANSCEIVER WITH MATCHING UNIT AND ANTENNA KIT.

GENERAL:

FREQUENCY- 1.6-10 HMz
CHANNELS - 22 Simplex, 11 Semi-duplex or mixed field programmable keyboard entry channles with 100 hz increment . Automatic harmonic filter sswitching.

Duty Cycle - 20% Transmit, 80% Receive
Mode - R3E (A3A), H3E (A3H),J3E(A3J)
Humidity - 95% RH
Temperature Range - - 30°C to +60 °C
Vibration - 0.030" from 10-30 Hz
Supply Voltage - 12 Vdc or 230 VAC

TRANSMITTER

Power Output - 100-150 watts PEP
Overload Protection- fully protected against open or short circuit

Intermodulation Products- 32 dB below PEP
Carrier Level - J3E, 46 dB below PEP
Freauency Stability - - 20 Hz, -30°C to + 60 °C
Spurious Emission- 47 dB below PEP (DOC),63 dB (FCC)

RECEIVER:

Sensitivity - SSB: 0.5 uV for 12 dB SINAD, AM:1.0 uV for 6 dB SINAD.
Frequency Stability- -20 Hz, -30 °C to + 60 °C.
Selectivity - SSB:-6 dB 2.35 kHz, -60 dB 5.0 kHz
Spurious Response - -60 dB
AGC Range - Less than 10 dB variation for inputs from 5uV to 1 volt
Audio Output - 3 watts with less than 5% distoration
Clarifier Range- Greater than - 150 Hz.

[B] SOLAR CELL

1000 Sets

SYSTEM SPECIFICATIONS

1 POWER OUTPUT CAPABILITY
Open Circuit Voltage 18 Volts DC (Without regulator)
Short Circuit Current 5 Amps DC
Power Output 4.8 Amps min (a) 12 Volts DC
Beak Power Output 66 Watts DC ((a) Std test conditions)

Temperature effect D P peak =-0.3% / °C
D I= 3.7MA /°C
D V=74mv/°C

TEST CONDITIONS
Temperature 25°C ± 3°C ambient
Insolation 100 mw / cm 2

Qty.

GENERAL DESCRIPTION

System Configuration	Two parallel connected modules type HE50 JC / 12 Charge Control is made with one type SH 0 12075AF Regulator	
Blocking Diode	Schottky type	
Unipanel Substrate	Tempered glass on aluminum frame	
Finish	gold anodized	
Encapsulant	Silicone rubber	
System weight	50 pounds	
Over all Dimensions	23" X 44 "	
2	12V. 150 A/H Battery (Maintenance free)	
[C]	Communication Equipments for security personnels	
1	Walkie Talkie (VHF - TRANSCEIVER) for Booths, 5 watts	5000 sets

GENERAL ;

Frequency Range	138 to 175 MHz
RF Channels -	1 to 6
Channel Spread -	5 MHz transmit , 4 MHz receive
Channel Spacing -	25 KHz
RF Impedance -	50 ohms
Battery voltage -	10.8 Vdc, Nickel-cadmium battery

TRANSMITTER

RF Power Output -	25 watts
Frequency Stability -	-0.0005% , - 30°C to + 60°C
Modulation Deviation -	- 5 KHz (16F3), Subtone - 750 hz
Spurious Emission -	-50 db
FM noise -	- 50 db
Audio response -	Within + 1, -3 dB of 6 dB / octave pre-emphasis 55 EIA method

RECEIVER

Modulation Acceptance-	-7KHz
Sensitivity -	0.35 uV for 12 dB SINAD 0.5 uV for 20 dB quieting
Squelch Sensitivity -	0.2 uV threshold
Selectivity -	-75 dB, EIA Method
Spurious Rejection -	-50 dB
Intermodulation-	-65 dB
Frequency Stability -	0.001%, -30°C to + 60 °C
Audio Output -	500 mW, less than 10% distortion

2.	Mobile Walkie Talkie (VHF -TRANSCEIVER) for District HQ, and Patrolling Services, 25 Watts As per C2 (1).	300 sets
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	Qty.
[D] Reproduction & Printing Equipments	
1. High speed heavy duty photocopier	5
- Auto Feeder (500 pages)	
- Auto Sorter (upto 25 copies)	
-Double sided copies,	
-Multiple sizes paper,	
-should be capable to copy on ordinary Xerox paper	
2. Medium Speed office photocopier	2
3. Toner / Developer required for:	
- 25 million A4 size copes for item D[1]	
4. Medium size offset printing press 1 with all accessories	
[E] Power supply	
1. 25 KVA Uninterruptible power supply system with 30 minute battery backup.	2
2. 50 KVA Diesel- Generator set with	2
autotransfer facility without interrupt between city power supply and UPS	
3. 1 KVA Voltage stabilizer	15
(F) Air conditioning system	
1. Split type Air conditioner with	
- 10 ton capacity.	
- both temperature and humidity control	
[G] Transportation to be used by Security Personnels & the Election Commission.	
1. Four wheel drive, Diesel operated covered pickup	30
van suitable for mountain terrain rough roads,	
2. Four wheel drive, Diesel operated Jeep to be used	70
for supervision, patrolling.	
3. Trucks	30
4. Police Van	10
5. Motor Cycles	50
6. Helicopter services to be used in remote areas to	
transport manpower and materials for six months.	
[H] Other Equipments	
1. Paper shredders	2
2. Fire proof Media cabinet	2
3. Heavy duty, automatic stapling machined with 1" depth & staples.	10
1" depth & staples.	
[I] Spare parts for equipments mentioned in items [A]&[G] 10%of the equipment cost	
[J] Consultants	
- Communications & Networking (Rural communications)	
[K] Manpower Training	
- Equipment Maintenance for equipments mentioned in items [A] to [G]	
- Communications & Networking.	
[L] - Ballot boxes suitable to our needs.	25,000

Annex G

Chronology of Key Events

NEPAL - Chronology of Key Events

- 1760s Unification of Nepal completed under Prithvi Narayan Shah
- 1846 Jung Bahadur Rana seizes power and installs hereditary Rana Prime Ministership, limiting Shah monarchy to figurehead position
- 26 Jan 1948 Prime Minister Padma Shumsher Rana promulgates Government of Nepal Act
- 31 Jul 1950 Treaties of Peace and Friendship, and Trade and Commerce, signed by India and Nepal
- 1950-Jan 1951 Nepal's "democratic restoration": King Tribhuvan goes into temporary exile in India. Shah dynasty reasserts its authority and ends Rana dominance.
- 1950s Various experiments in limited democracy and constitutional government.
- 1955 King Tribuvhan dies; succeeded by King Mahendra.
- 1959 Constitution providing for representative elected government promulgated.
- 1959 Congress Party wins 74 seats out of 109 in national multiparty elections and forms Nepal's first democratically elected government.
- 1960 King Mahendra suspends Congress party government and outlaws political parties.
- 1962 King Mahendra promulgates new Constitution providing for partyless Panchayat system as basis for political system.
- 1972 King Mahendra dies; succeeded by King Birendra
- 1979 Student demonstrations and other unrest in opposition to partyless Panchayat system. King promulgates Third Amendment to Consitution providing for direct national elections, and announces referendum.
- 1980 National referendum held to determine public views on political system Panchayat system reaffirmed by 55-45 margin.
- May 1981 First direct national elections, boycotted by representatives of most political parties, held.

112 members elected to National Panchayat on non-party basis. Surya Bahadur Thapa becomes Prime Minister.

1983 Lokendra Bahadur Chand succeeds Thapa as Prime Minister.

May 1986 Second round of direct national elections held on partyless basis, with most major party figures not participating. Marich Man Singh Shrestha named Prime Minister.

18 Jan 1990 Leaders of Nepal Congress Party and representatives of various Indian parties hold mass rally in Kathmandu to call for restoration of multiparty democracy

18-20 Feb 1990 Demonstrations and strikes held around Nepal in favor of restoration of multi-party system; incidents of violence at various locations.

Mar-Apr 1990 Protests and strikes continue intermittently around the Kingdom.

6 Apr 1990 King dismisses Shrestha Government, appoints new Cabinet headed by Lokendra Bahadur Chand as PM, and also announces formation of Constitutional Reforms Commission to recommend political reforms. Strikes and violence, including at least 80 deaths by police fire in Kathmandu, continues.

8 Apr 1990 King, Chand cabinet and opposition meet and agree to lift ban on political parties, remove "partyless" from the Constitution, and continue work on constitutional reform commission.

11 Apr 1990 Joint statement by Nepal Congress Party and United Left Front issued including demands for: immediate dissolution of National Panchayat and Chand Government; repeal of all provisions of the Constitution inconsistent with multiparty polity; disbanding of local Panchayats; nationalization of all property of Panchayats and class organizations; release of all political prisoners; compensation of families of those killed during the MRD, and treatment/compensation of those injured; formation of Constitution Reform Commission including representatives of the NCP and ULF; and independent inquiry of atrocities and punishment of the guilty.

GON lifts controls on domestic and foreign publications

13-15 Apr 1990 All political prisoners released by GON

GON announces formation of commission to investigate loss of lives/property, to begin work April 16

- 16 Apr 1990 King issues proclamation dissolving National Panchayat and suspending articles of the Constitution providing for: formation and function of the Cabinet; appointment of ministers and assistant ministers; six Panchchayat "class" organizations; Panchayat Party and Evaluation Committee; ban on political parties; and remuneration
- 17 Apr 1990 King names NCP Acting President K.P.Bhattacharai as Prime Minister, replacing Chand
- 19 Apr 1990 New interim government sworn in
- 21 Apr 1990 Interim government announces its agreement to allow formation of an independent trade union
- 25 Apr 1990 King publicly states unequivocal support for interim government and multi-party democracy
- 27 Apr 1990 King dissolves district, village and town panchayats/assemblies
- 3 May 1990 PM Bhattacharai announces that constitution would be ready within three months and that King Birendra has agreed to become a constitutional monarch
- 7 May 1990 14 zonal commissioner positions abolished and incumbent commissioners dismissed
- 9 May 1990 PM Bhattacharai announces that new constitution will provide for religious freedom
- 11 May 1990 King Birendra unilaterally proposes a 7-member Constitutions Reforms Commission, including NCP, ULF and royal representatives
- 15 May 1990 Following a weekend of protests against the King for "undermining the democratic process by acting unilaterally" and a meeting with PM Bhattacharai, King dissolves Constitution Reforms Commission
- 21 May 1990 King Birendra transfers all legislative powers of the former national panchayat to the Council of Ministers (interim government)
- 29 May 1990 Two parties, both bearing the name "National Democratic Party" are formed---one each by former Prime Ministers Chand and Thapa---drawing support

Meetings and Appointments

The following individuals were interviewed in depth in Kathmandu by one or more members of the IFES team:

The Interim Government of Nepal

The Right Honorable Krishna Prasad Bhattarai, Prime Minister

Election Commission

Mr. Surya Prasad Shrestha, Chief Election Commissioner

Mr. Dhruva Thapa, Election Commissioner

Mr. Achyut N. Rajbhandari, Secretary

Other staff members

Constitution Recommendation Commission

Mr. Bishwanath Upadhyaya, Chairman, CRC

Mr. Laxman Prasad Aryal, Member, CRC

Political Parties

National Democratic Party (Chand)

Mr. Pashupati Shumshere Rana, former Minister

National Democratic Party (Thapa)

Mr. Surya Bahadur Thapa, former Prime Minister

Mr. Keshar B. Bista, former Minister of Education

Nepal Communist Party (Marxist-Leninist)

Mr. Chandra Prakash Mainali

Mr. Madan Bhandari

Mr. Man Kumar Gautam

Mr. Mahdav Kamal

Nepal Communist Party (Marxist)

Mr. Man Mohan Adhikari, Secretary General

Nepal Communist Party (Manandhar)

Mr. Bishnu Bahadur Manandhar, General Secretary

Nepali Congress Party

Mr. Ganesh Man Singh, Supreme Leader

Mr. Giriya Prasad Koirala, General Secretary

Mr. Sagar Rana

Nepal Goodwill Party

Mr. Gajendra Narayan Singh, President

Youth Organizations

NSU Three representatives

Annex H

Significant Meetings and Contacts by IFES Team
October 24 - November 3, 1990

Meetings and Appointments

The following individuals were interviewed in depth in Kathmandu by one or more members of the IFES team:

The Interim Government of Nepal

The Right Honorable Krishna Prasad Bhattarai, Prime Minister

Election Commission

Mr. Surya Prasad Shrestha, Chief Election Commissioner

Mr. Dhruva Thapa, Election Commissioner

Mr. Achyut N. Rajbhandari, Secretary

Other staff members

Constitution Recommendation Commission

Mr. Bishwanath Upadhyaya, Chairman, CRC

Mr. Laxman Prasad Aryal, Member, CRC

Political Parties

National Democratic Party (Chand)

Mr. Pashupati Shumshere Rana, former Minister

National Democratic Party (Thapa)

Mr. Surya Bahadur Thapa, former Prime Minister

Mr. Keshar B. Bista, former Minister of Education

Nepal Communist Party (Marxist-Leninist)

Mr. Chandra Prakash Mainali

Mr. Madan Bhandari

Mr. Man Kumar Gautam

Mr. Mahdav Kamal

Nepal Communist Party (Marxist)

Mr. Man Mohan Adhikari, Secretary General

Nepal Communist Party (Manandhar)

Mr. Bishnu Bahadur Manandhar, General Secretary

Nepali Congress Party

Mr. Ganesh Man Singh, Supreme Leader

Mr. Giriya Prasad Koirala, General Secretary

Mr. Sagar Rana

Nepal Goodwill Party

Mr. Gajendra Narayan Singh, President

Youth Organizations

NSU Three representatives

ANNIFSU, 15-20 representatives

Scholars

Dr. Som Prasad Gauchan, Tribhuvan University
Dr. Sushil R. Pandey, Tribhuvan University

Nepalese Non-Government Organizations

Mr. Kusum Shrestha, Senior Advocate, and Chairman,
Nepal Law Society
Mr. Anup Raj Sharma, Member Secretary, Nepal Law Society
Dr. Gopal Sharma, Nepal Law Society
Mr. Daman Dhungana, Nepal Law Society
Dr. Surya P.S. Dhungel, Chairman, Leaders, Inc.
Mr. Rishkesh Shaha, former Minister and Ambassador, and
President of HURON (Human Rights Organization of Nepal)
Mr. Prakash Kafle, Forum for Protection of Human Rights
(FOHPUR)
Mr. Sushil Pyakurel, Informal Sector Research Center (INSEC)

Business Community

Mr. Himalaya S.J. B. Rana, Chairman, Gorkha Brewery
Mr. Kishore Khanal, Managing Director, Nepothene Group
Mr. V. K. Shah, Chairman, Jawalakhel Distillery Pvt. Ltd.

Media/Journalists

Mr. Kedar Man Singh, AFP/BBC/Far Eastern Economic Review
Miss Elizabeth Hawley, Time/Life/Reuters
Mr. Mahdev Rimal, Editor, The Spotlight
Mr. Ravindra S.J.B. Rana, Deputy General Manager, Nepal
Television
Mr. Govinda Prasad Pradhan, Chairman and General Manager,
Rastriya Samachar Samitit (RSS) - National News Agency
Other official/government media news representatives at
Election Commission briefing, not identified

Embassy Personnel Based in Kathmandu

Ambassador Julia Chang Bloch, U.S. Embassy
Ambassador Kazuaki Arichi, Japanese Embassy
Ambassador Zia el-Haq, Embassy of Pakistan
Mr. Albert Thibault, Deputy Chief of Mission, US Embassy
Mr. Todd R. Greentree, First Secretary, US Embassy
Ms. Carol T. Reynolds, Second Secretary, US Embassy
Mr. Chitra Tiwari, US Embassy

Representatives of Non-Nepalese NGOs and Donor Agencies

Mr. Kelly Kammerer, Director, USAID/Nepal
Mr. Mike Calavan, Program Officer, USAID/Nepal
Ms. Suzanne Wallen, Nepal Representative, The Asia
Foundation
Dr. Jorgen Elklit, DANIDA

Participants in Field Trip to Bhaktapur (Bhaktapur District) and Banepa (Kavre Palanchok District), Sunday, October 28:

Professor Shiratori
Dr. Smolka
Various Nepalese participants)

Participants at Final Exit Briefing/Discussion with Representatives of NGOs and Donor Organizations

Mr. Macfarlane
Prof. Shiratori
Dr. Smolka
Mr. Kammerer, USAID
Mr. Lars Christiansen, Danish Volunteer Service
Mr. Calavan, USAID
Mr. Greentree, Embassy
His Excellency. T.B.D. George, Ambassador of Great Britain
Mr. Endo, Second Secretary, Embassy of Japan
Ms. Valerie Young, Embassy of Canada
Mr. Niger Roberts, Resident Representative, IBRD
Mr. Werner Wirz, Swiss Development Corporation
Mr. Rishi Shah, GTZ,
Mrs. Gabriele Ramm, Freidrich Naumann Foundation
Dr. Jorgen Elklit, DANIDA
Ms. Suzanne Wallen, Asia Foundation

The above listing does not include many shorter but valuable conversations with Nepalese and expatriates. In addition to the foregoing interviews and briefings, a large and well-attended reception, and a dinner, were organized for team members on October 30 and 31, respectively, by Deputy Chief of Mission Al Thibault. These events, plus various other social events attended by various team members, provided many further insights into the situation in Nepal.

Annex I

Selected Press Items

said their language policy was seen as a threat by "simple Russians," who had never thought of learning Uzbek.

Working for democratisation will be an uphill struggle in Uzbekistan. As the local party apparatus has become more independent of Moscow, it has reversed the trend towards greater openness in Uzbek society that began with perestroika, some Uzbeks said. Pulatov also believes Karimov is building up the local militia to protect his authority. In addition, the party is strengthening local political control through its neighbourhood organisations, the *mahalla* committees. The chairmanship of these committees has been made a paid position, and they are being organised in apartment buildings as well as in older neighbourhoods.

Birlik supporters have also complained of official harassment. Pulatov himself has had a criminal case pending for his part in organising a large meeting in Tashkent's main square on 1 October 1989. He is accused of inciting the crowd to violence, a charge he denies. Because of the criminal case he was prevented from submitting his candidacy for election to the Tashkent city council. In what is seen as another example of harassment, police investigator Shukhrat Ilhamov — whose mother is a Birlik activist — was arrested on charges of receiving a bribe and beaten to force a confession, he testified at his trial.

The future of political pluralism in Uzbekistan will in part depend on how vigorously Moscow is willing or able to enforce all-Union laws on human rights. Given the centre's fears of instability on its southern border, it may be happier with Central Asian republics where political stability is guaranteed than with the more unpredictable nurseries of democracy. Also, reform from the top could be seen as meddling in Uzbek affairs.

Uzbekistan's party central committee is, for its part, increasing its room to manoeuvre by drawing up new by-laws. The draft, to be approved at the second half of the party's 22nd congress, emphasises that the party will act in the framework of Uzbekistan's constitution and Soviet laws. But if the Soviet Communist Party takes decisions which contradict the interests of Uzbekistan, then the local party will have the right to demand a re-examination of these questions in a central committee plenum.

Vakhidov believes, however, that the greatest obstacle to glasnost and democracy in Uzbekistan is the local psychology. "We still aren't used to dissenting opinions. People feel obliged to support the man in power. We have to educate people so that they demand their rights; we have to publish the Helsinki document, which takes in all angles of human rights [and] we have to educate our president in the spirit of democracy of developed countries," he said. ■

NEPAL

Constitutional monarchy replaces absolute rule

Power to the people

By Kedar Man Singh

It took only two minutes for 222 years of absolute rule by the Shah dynasty in Nepal to be formally ended by royal proclamation. The untrammelled power of the monarchy was transferred to the people under a democratic constitution announced by King Birendra on 9 November. Nepal was declared a multi-ethnic, multi-lingual, democratic, independent, sovereign, Hindu constitutional monarchy.

Born of demonstrations of people power and the cost of several hundred lives and many injuries when the king's troops and police were ordered into action, the constitution now comes into effect as political groups jockey for support to form a multi-party, bi-cameral system of government.

The constitution provides for a House of Representatives of 205 elected members, plus a 60-member National Council or the upper house, a third of whose members will retire every two years.

Among the features guaranteed under the preamble of the new constitution are fundamental citizens' rights, including the protection of liberty and due process of law. A three-tier judicial system will be established with district courts, appellate courts and a Supreme Court which will have full powers of review.

Capital punishment has been abolished, and so has the power of prior censorship, thus ensuring freedom of the press. Similarly, the freedom of religion and the right to manage and protect religious sites has been guaranteed, though restrictions will remain on proselytising.

The constitution also lays down various principles and policies fundamental to the state in matters of political, economic and social development and foreign affairs. The crown has been declared the symbol of Nepalese nationality and the unity of the people. All acts performed by the crown, except those exclusively within the king's domain, will now be performed only with the advice and consent of the council of ministers.

However, the king may declare a state

of emergency in the event of a threat to the nation by war, foreign aggression, civil unrest or economic depression, though such a declaration may be made only on the advice of the council of ministers and must be supported by the House of Representatives within three months.

Amendments to the constitution can be made only by a two-thirds majority in the lower house, though certain basic features — human rights, the monarchy, the parliamentary system and the rights of political parties to operate within the law — are inviolate.

Treaties and agreements dealing with such matters as defence, strategic alliances, national boundaries, peace pacts, ties of friendship and the utilisation and distribution of national resources now have to be approved by a two-thirds majority of the members of both houses of parliament present and voting in a joint session.

The proclamation of the new constitution has been generally welcomed by political parties, with the prime minister of the interim government, 66-year-old K. P. Bhattarai, saying that it will give a healthy opportunity for the exercise of democracy in Nepal and increase the king's popularity.

The elder statesman of the Nepali Congress, G. M. Singh, was also enthusiastic and called for close cooperation between political parties and the king.

Others were a little more guarded. The general secretary of the Nepal Communist Party (Marxist), Man Mohan Adhikari, said the United Left Front, an alliance of communist groups, should work with the Nepali Congress to ensure that the fundamental constitutional gains won by the people's movement were preserved. A politburo member of the Marxist and Leninist Communist Party, Radhakrishna Mainali, promised his party's "critical support" for the new constitution.

Two leftwing groups — Mashal (Flaming Torch) and the National People's Liberation Front — rejected the constitution as reactionary and declared they would take no part in the forthcoming elections for parliament.



Birendra: end of era.

best known leaders into cooperation with the government. The Islamic issue has been defused by the reopening of mosques and Islamic educational institutions.

He also supported Birlík's move to make Uzbek the official language, as well as the demand that all Uzbek army recruits be assigned to serve within the republic. On this last point, however, Pulatov now believes this demand cannot realistically be carried out until there is a sharp cutback in the call-up as there are not enough Soviet troops stationed in Uzbekistan to absorb all the local recruits.

Unexpectedly, Karimov even included two members of Birlík's central council in his own presidential council, announced in early October. The two, Prof. Temur Valiev and poet Shukurlo Yusupov, are far outnumbered by conservatives, Pulatov pointed out, but are enough to give the ap-



Muslims in Tashkent: Islamic issue defused.

pearance of pluralism. When Karimov approached the Birlík leadership last year and invited them to work with the government, its two best-known leaders — Vakhidov and fellow writer Muhammed Salikh — agreed. They believed he was a good leader and a nationalist, Pulatov said.

Another Birlík founder, the well-known conductor Zahid Khaknazarov, said Karimov demanded Pulatov resign from the leadership. When he refused, the others split off to form Erkh, now the Democratic Party Erkh. Both Salikh and Vakhidov were subsequently elected to parliament, in polls which many observers say were far from democratic. The split confused the public, which was told by the official media and the party that Birlík had self-destructed, Pulatov said. "If it hadn't been for the split we might have had 50 deputies elected — 10% of the parliament," he said. In the event, they even failed to get their candidates through the nomination process, though some deputies have joined Birlík since being elected.

Pulatov estimated Birlík has around 500,000 supporters, many of whom are rural people and among the most disadvantaged in Uzbekistan. Its appeal to the non-Uzbek population has been insignificant, he admitted, partly because the official press has painted them as extreme nationalists. But he also

as how to share out the national debt. A standard Russian complaint is that the Russian republic has invested more in the other republics than it has got back. The time has come, Masharipov agrees, to calculate how much they have received in credits and loans. In return, Uzbekistan wants the right to control its own foreign exchange, now in the hands of the central Bank for Foreign Economic Relations. Uzbekistan is the Soviet Union's third-ranking exporter, after Russia and the Ukraine, and its government calculates it earns 1 billion "soft" roubles annually from its exports. When the republic's foreign trade bank becomes autonomous, Masharipov estimates Uzbekistan will have a hard currency fund of several hundred million US dollars. Control of this hoard would open up the possibility of offering foreign investors bank guarantees, something Moscow is unwilling to do.

new incentives have boosted the cotton harvest, they will not cure Uzbekistan's basic economic ills.

Nationalists of all stripes now agree that the republic needs to control more of the cotton it grows, as well as its other raw materials. For a start, the republic wants the right to sell cotton surplus to planned production levels for hard currency without waiting for export licences from Moscow.

The republic's trade organisation, Uzbekintorg, is now being transformed into an independent committee for foreign economic relations, its deputy chairman Shonazar Masharipov said. But before it can develop a strategy for foreign trade, it will need the power to issue export and import licences.

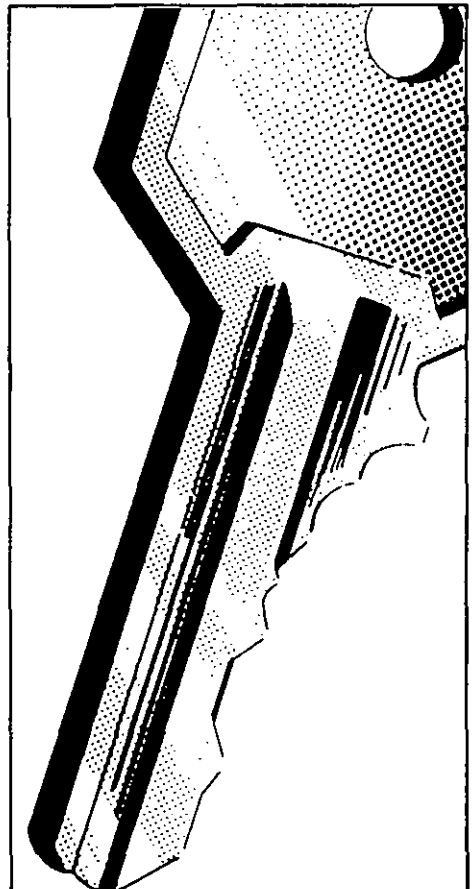
This could come with a new "union agreement," which should define the legal framework within which the republics can develop their trade, Masharipov said. It will have to provide, however, the basis for resolving such problems

as how to share out the national debt.

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■ Sophie Quinn-Judge



SEOUL

HILTON

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REVIEW

FAR Eastern Economic Review

11-22-90

Nepal's king finally surrenders powers

► Following 18 days of protests and rallies by various political parties, Nepal's King Birendra finally surrendered all his executive, legislative and judicial powers to the people on 9 November when he issued a royal



Birendra.

proclamation of the new constitution. In a two-minute speech, the king acknowledged the people's movement which began in February, demanding constitutional monarchy, multi-party democracy, fundamental rights and basic freedom, and thus ended the 222-year-long absolute monarchy. Several hundred people were killed by police fire, more than 1,000 injured and 10,000 jailed during the pro-democracy protests. Despite initially agreeing to a new constitution in September, Birendra subsequently issued a counter-proposal under which he would have retained power and gave in only after this triggered violent protests. Nepal
----- establishing a bicameral

Nepal king's move to stall constitution stirs protests

► Nepal's King Birendra's last efforts to retain his executive, legislative and judicial authority through submitting a counter-draft to the interim government's proposed constitution has failed following the strong negative



Birendra.

reaction of all political parties and general popular opinion. On 28 October demonstrators took to the streets, with the local communist party calling a strike in Kathmandu's Lalitpur township. More than 25,000 protesters gathered in Lalitpur to criticise Birendra for delaying the new constitution, which he has promised to deliver on 9 November. Organisers of the demonstration threatened that if the king failed to promulgate the constitution by that date, there would be a return to the type of protests that seriously undermined Birendra's power earlier this year and led to the deaths of some 30 people.

Call To Promulgate Constitution On Schedule

RN
11/3/90

By A Staff Reporter
Kathmandu, Nov. 2:

The Nepalese Press Centre (Neprese) has strongly demanded that the Constitution of the Kingdom of Nepal, 2047, prepared by the Constitution Recommendation Commission and approved by the cabinet, be promulgated in the scheduled time, that is 9th of November, 1990. A press release issued today by the Neprese said that like other communities and professions in the country, journalists are also worried and ragged by the delay in promulgating the constitution which is a product of sacrifices of martyrs to consolidate the democratic atmosphere in the country.

The Neprese has also warned against any attempts to sabotage the people's democratic rights and has also said "we will not remain tightlipped if any plots are hatched to thwart the constitution that guarantees free press and rights of the journalists."

RSS adds, a silent procession was organized here Friday at the call of the central coordination committee of the Nepal University Teachers' Association to alert the people against what it called the conspiracy being hatched by the palace against the preparation of the constitution and to demonstrate the unity of the intellectual and vocational sectors.

The procession taken out from Basantpur passed through New Road, Kantipath, Ratna Park and Jamal before concluding at Trichandra campus.

The processionists carried placards bearing slogans like "beware of the conspiracy of the palace", "a democratic constitution be promulgated" and "Down with reactionaries and regressive elements".

Teachers and staff members of the Tribhuvan University, the Mahendra Sanskrit University and the campuses and schools of the valley took part in the procession.

Similarly, the Nepal Journalists' Association, the Nepal Bar Association, the Nepal Photographers' Association, the Nepal University Teachers' Association and various campus units, the Nepal National Teachers' Association, Nepal Paramedics' Association, the National Tuberculosis Centre, the Nepal Veterinary Association, the Nepal Administrative Staff College and the Kavreli Buddhijibi Mancha took part in the procession.

Also taking part in the procession were the Forum for Protect of Human Rights, the Nepal Overseers' Association, the Nepal Geological Society, the Nepal Engineers' Association, the Nepal Literary Association, the Nepal Agriculture Committee, the Nepal Charter Accountants' Association, the Nepal School Teachers' Council, and the Employees' Associations of various campuses and schools.

The Rising Nepal

November 1, 1990 pp. 1, 7

2 US Teams In Capital

Kathmandu, Oct. 31 (RSS):

Representatives from the International Foundation for Electoral Systems (IFES) and the National Democratic Institute (NDI) are in Kathmandu to conduct a survey determining how the U.S. can assist with election procedures in Nepal.

IFES is a Washington-based organization, supported by aid through the Democratic Pluralism Initiative.

The visitors will meet with Prime Minister K.P. Bhattarai, the Election Commissioner and his staff, other government officials, political leaders and other individuals concerned with the free and fair conduct of multi-party elections in Nepal, according to USIS press release.

The IFES team headed by Mr. Lewis Mac Farlane, which also includes Professor Rei Shiratori of Japan and IFES staff member Mr. Richard Smolka, will discuss possible U.S. support for a free and fair election.

The Executive Director of the National Democratic Institute (NDI), Mr. William

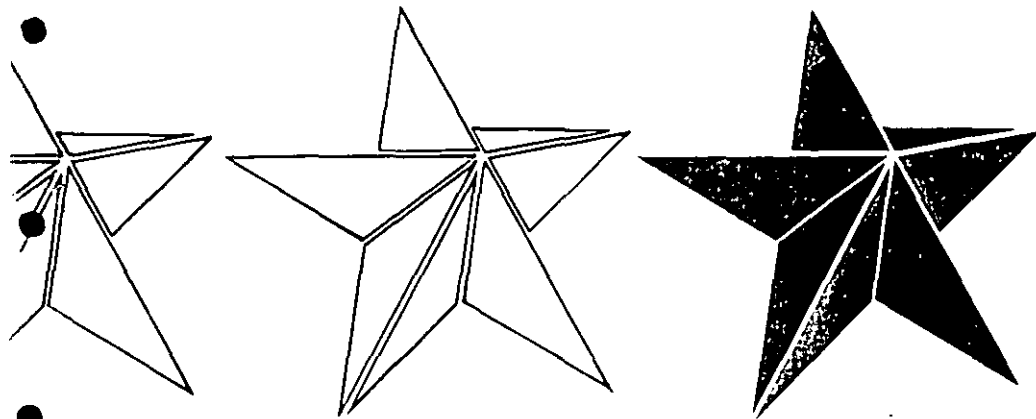
2 US Teams In Capital

(Contd. from page 1 col. 1)

Oldaker, is visiting Nepal to assess the prospects for international observers in the national elections expected to be held in April-May 1991.

Mr. Oldaker was a senior observer at the just-concluded elections in Pakistan.

NDI, which frequently sends observer teams to nations requesting them, is the democratic Party's representative in the National Endowment for Democracy, an organization established by the United States Congress to assist countries in establishing stable and prosperous democratic governments.



News Release

UNITED STATES INFORMATION SERVICE,
NEW ROAD,
KATHMANDU.
PHONE - 221250

Team to Study Ways U.S. Can Assist with Elections in Nepal

Kathmandu, October 30--

Representatives from the International Foundation for Electoral Systems (IFES) and the National Democratic Institute (NDI) are present in Kathmandu to conduct a survey determining how the U.S. can assist with election procedures in Nepal. IFES is a Washington-based organization, supported by AID through the Democratic Pluralism Initiative. The visitors will meet with Prime Minister K.P. Bhattarai, the Election Commissioner and his staff, other government officials, political leaders and other individuals concerned with the free and fair conduct of multi-party elections in Nepal.

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Himalayan kingdoms

Violence comes to Shangri-La

FROM OUR SPECIAL CORRESPONDENT IN THIMPHU

The monarchies of Bhutan and Nepal are changing: Bhutan's violently, Nepal's confusedly

IN TRAVEL literature Bhutan is sometimes described as Shangri-La, a magic kingdom where a gentle people live as they did in medieval times. The spell has been broken. This tiny Himalayan country, rife with ethnic conflict and bloodshed, now looks like the setting for a Shakespearean tragedy rather than a fairy tale.

Bhutan is a monarchy that forbids political parties. The Bhutan People's party (BPP) and other outlawed organisations want democracy. Between September 19th and 23rd there were bloody clashes throughout southern Bhutan, which would have been inconceivable a few months ago. But, for all its political guise, the struggle is really an ethnic one.

The fertility of Bhutan has been a magnet for immigrants from nearby Nepal for more than a century, and Bhutan's original mountain tribes are now swamped by Nepalese and their descendants. King Jigme Singye Wangchuk and most government ministers belong to the Drukpa tribe, and want to retain their Bhutanese identity. The BPP consists of ethnic Nepalis who believe that only democracy can give them a place in the power structure.

The BPP says it held peaceful demonstrations in September but trigger-happy soldiers killed 327 demonstrators. Rubbish, says the government—in only one instance did a police officer fire, and then in self-defence. It says the demonstrators exploded bombs, ransacked government offices, killed one policeman and injured 15 others. However, your correspondent met several ethnic Nepalis who claimed to have fled from the bayonets and bullets of the army, and to have witnessed several deaths.

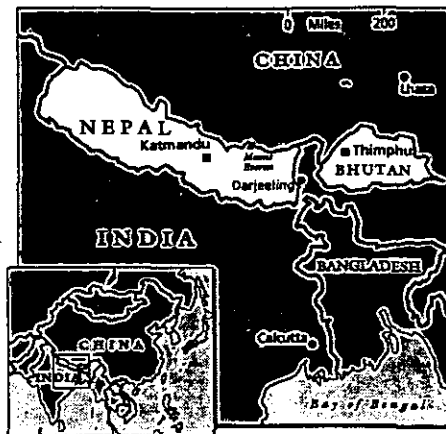
This is unlikely to be the end of the violence. The BPP has been encouraged by the move towards democracy in Nepal (see below). It notes that political violence has paid off in Darjeeling, where India has granted some autonomy to a hill area; and in the Indian states of Assam, Punjab and Kashmir, where old grievances have at last been noticed by the authorities in Delhi.

Bhutan's 34-year-old king is married to four sisters. He has often said that he wants democracy as soon as conditions are favourable, but he has done little about it in his 17 years on the throne. Distrust between the Hindu Nepalis and the Buddhist Drukpas runs deep. In 1988 the king ordered a census aimed at disfranchising illegal immigrants (but not expelling them, which is not feasible with Bhutan's open borders). He chose

1958 as the cut-off date for legal migration, outraging Nepalis who had entered later.

Last year the king banned the teaching of Nepali in schools and said everyone should wear the national dress and do their hair in the Drukpa style. This, he said, would make for unity. But the Nepalis have their own national dress and usually wear their hair long. The king acknowledges that he has made mistakes, but he insists on the need to weld all Bhutan's 1.3m citizens into a single culture.

The villages on the Indian side of the border have a majority of people of Nepali origin. So the BPP finds a safe haven there. For its part, the Indian government has long had a policy of not letting its soil be used for overt political activity against a foreign government. It prohibited a proposed BPP procession into Bhutan on August 26th. But India can do little about Bhutan, apart from fret that Shangri-La has become another strife-torn bit of the subcontinent.



Nepal

The king's hand

FROM A CORRESPONDENT IN KATMANDU

MANY of King Birendra's 18m subjects believe him to be a descendant of Vishnu, the Hindu god of preservation. In the next week or two he will be hoping for Vishnu's help in preserving some of his powers over the life of Nepal, which at present are absolute.

A draft constitution now being considered by government ministers proposes a parliamentary form of government, with the Nepalese people as "the source of author-

ity". The king would become a constitutional monarch. On September 29th, at Nepal's biggest festival of the year, he said the country would soon have a new constitution "if we can make it". The king's apparent hesitation worries some Nepalese. "I sense some mischief afoot," said Mr Rishikesh Shaha, a former minister and Nepal's best-known human-rights activist. "The king still holds too many cards."

Back in April King Birendra seemed to have a poor hand. After months of pro-democracy demonstrations that had killed at least 75 people, the king dissolved the partyless government through which he had been running the country. A general election was promised for 1991. Yet in practice the king has still not surrendered much real power.

The government is temporarily in the hands of a council of ministers headed by Mr Krishna Prasad Bhattarai, who spent 14 years as a political prisoner. Mr Bhattarai told *The Economist* that some "lacunae" in the draft constitution were now being debated by his ministers.

One of the bigger gaps is thought to be Nepal's relations with India. Around 40% of Nepal's foreign trade is with India, which is also Nepal's largest aid donor. In a gesture of independence Nepal bought arms from its other big neighbour, China, in 1988. India was cross and for a time closed most of its border posts with Nepal. This caused much hardship to the Nepalese—and led to the democracy demonstrations. Another constitutional question is who should control Nepal's army of 40,000 men, mainly Gurkhas. The king's supporters oppose taking command of the army away from him and putting it under civilian control.

The biggest lacuna, though, is how much power King Birendra should have. Mr Bhattarai thought the king would end up with somewhat more authority than, say, the British Queen, but he would not elaborate. The king and his supporters want a lot more than that. They believe the monarchy still has a strong hold on the Nepalese, whose average annual income is a beggarly \$260 a year and 65% of whom are illiterate. The monarchists are likely to be encouraged by the huge display of fealty on September 29th, the one day in the year when the king throws open his palace to the public and blesses all comers.

If the ceremony had taken place in the spring, when the anti-monarchy and pro-democracy demonstrations were at their height, few would have lined up for the king's blessing. Last week, however, there was a 200-yard queue outside the palace. Of the 11 senior government ministers, only two—one of them a communist—did not turn up to be blessed by the king. Democracy may be coming to Nepal, but tradition still pulls strong.

The new multi-party system struggles to survive

Democratic confusion

By Kedar Man Singh in Kathmandu

After four months, Nepal's people are experiencing the difficulties of making their newly established democracy work. Prime Minister K. P. Bhattarai is staggering under the task of fulfilling the expectations raised following the abolition of the 30-year-old despotic partyless panchayat system.

Rampant inflation, labour unrest, economic difficulties and differences between coalition partners the Nepali Congress and the United Left Front (ULF), are undermining the government. Meanwhile, fears of religious strife have been raised by reports that the new constitution, to be released by the Constitution Reform Commission on 1 September, will declare Nepal a Hindu kingdom, despite the large numbers of Buddhists and Muslims in the country.

Criticism of the interim government is expressed at both ends of the political spectrum. The new administration was confronted with various demands and strikes immediately after it was formed. Bhattarai has said that it takes time to resolve the problems, anomalies and distortions accumulated over three decades. But the prime minister's problems are mounting. The unprecedented unity among non-panchayat forces seen during the democracy movement in February-March, has now slackened. Mutual bickering and inter-party squabbles have surfaced between officials of the Nepali Congress and the various communist factions which make up the ULF.

In addition, skyrocketing inflation and the government's failure to provide immediate relief to the people have stymied the people's hopes of seeking redress for their problems from the multi-party government, a development which threatens the government's electoral prospects in the polls due in April 1991. Analysts blame Bhattarai's weak leadership for the government's failure to deliver on its promises, despite it being the first administration in the country's history to have both executive and legislative powers.

To its credit, during the past four months the coalition government has succeeded in dismantling all units of the panchayat system. But it has failed miserably on the prices front, despite its claim that it would bring down inflation, following Bhattarai's successful visit to New Delhi in June. He reached an understanding with

Indian Prime Minister V. P. Singh to restore Nepal-India relations to normalcy and restore the trade and transit treaties which had been in abeyance since March 1989. However, the Nepalese economy continues to be in the doldrums, a situation the government blames on inherited problems from the previous regime.

Labour strikes have forced the closure of several industries since the formation of the coalition government. Industry spokesmen attribute the labour unrest to growing discipline among workers and their unrealistic expectations, and to the lack of clear-cut policy by the Labour Ministry.

To add fuel to the fire, early this month communal violence erupted between Hindus and Muslims in Sarlahi district. Political analysts expressed apprehension over possible further outbreaks of violence, both from reactionary elements and extremists, especially over questions of the people's sovereignty, religious freedom and the position of the army, which has said it

wishes to remain under the control of the king and not the democratic government.

However, the king is understood to have advised Bhattarai to cancel his planned trip to Europe and the US. Similar hints were dropped to Nepali Congress leader Ganesh Man Singh to defer his visit to West Germany and the US in early September. The king evidently feared political disorder stirred by the extreme Left.

Amidst these gloomy developments, many liberal-minded members of the former regime have joined the Nepali Congress in response to its call for them to help strengthen the democratic cause. This has caused great concern in the ULF over its threat to their election prospects. It has also created unrest in the Nepali Congress camp itself, by raising the spectre of the displacement of established party figures who had fought against the old regime.

Political analysts believe there will be a polarisation between the Nepali Congress and its new recruits on the one hand, and leftists on the other. Taking advantage of this development, some palace advisers and supporters, who have yet to reconcile themselves to their loss of power, are trying to defame the multi-party system by encouraging people to start a variety of parties and thus further undermine the fledgling democratic system.

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Alliance of Marxist Groups Gains Ground in Nepal

By BARBARA CROSSETTE

Special to The New York Times

KATMANDU, Nepal, May 10 — As a hastily assembled interim Government struggles to assert its power in Nepal, the left is positioning itself to set the pace of political change.

A group of seven Communist parties, the United Left Front, plays a major role in the Government formed in mid-April after demonstrations for democracy brought down the party-less political system dominated by the royal palace.

Marxists are now in charge of ministries ranging from industry and commerce to forestry and labor. Leftist organizations, some of them emerging from years underground, where they nurtured radical political philosophies, wield significant influence in the uni-

The left is in a position to set the pace of change as royal rule ends.

versities and some professional groups, Nepalese say.

"When you think of it, they already control the departments in charge of every one of our income-producing sectors," said a leading development expert who supported the democracy movement and is now concerned about where it is going. "We wonder what they have in mind," he said.

Left Is Fragmented

The Communists still face enormous hurdles here, not the least of which is their own fragmentation. There are more than a dozen Communist political groups, ranging from the quasi-establishment leftists called "royal Communists" to extremely radical and violent groups on the fringes.

Most leftists in Nepal say they have learned lessons from events in Europe

and China. They say they believe in democracy and a multiparty system, recognize no international Communist headquarters or leader and have abjured the Maoism many earlier embraced.

Communists have begun calling for the immediate arrests of many officials in the former Government. Lists threatening people thought to be rightists with death are appearing in some bazaars.

University Official Resigns

This week Communist-led campaigns forced the resignation of the rector of Tribhuvan University, the country's leading institution of higher education. The rector, Prof. Dayananda Bajracharya, said he could no longer carry on working in an atmosphere of "ill will."

Today professors at Tribhuvan and Mahendra Sanskrit university in western Nepal began a hunger strike to force the resignations or dismissal of all university officials who the teachers say cooperated with the former Government to stifle dissent. And the left front made a formal demand today for a major role in drafting Nepal's new constitution.

The Nepalese Communists, using the slogans and tactics of earlier leftist movements elsewhere, have a great appeal among the young, Nepalese of all political views say. The young have no experience with leftist governments, and also no experience with democratic, multiparty politics. Nepal has had three decades of government dominated by the royal palace. King Birendra agreed to lift a ban on party politics last month after clashes between protesters and security forces in which dozens of people were killed.

"The Communists are voicing the cause of the people, especially the downtrodden, the poor, the exploited people," Padma Ratna Tuladhar, a politician who describes himself as a "left-minded independent," said in an interview. "There is no other force that can represent this section of the people. That's why the left is so popular in Nepal."

"The left is also attracting the

brightest young intellectuals," said Anand Aditya, a political scientist at Tribhuvan who has been trying to bring leading leftists into public discussions of their long-term programs.

Communist groups, well organized and trained and highly motivated, led the recent street demonstrations in Katmandu and other towns.

"They were at the front because of the dedication of the cadres," Mr. Tuladhar said. "To be a Communist cadre, to be a left cadre, they should follow discipline strictly. On the other hand, the Nepal Congress, being a very liberal party, has no discipline for the cadres."

If Nepalese take to the streets again, the left will once more be in the vanguard.

"Because the Nepal Congress is a democratic party, and also because of their liberalism, they are not in a position to take drastic steps," Mr. Tuladhar said. "But the problem is that the people are still restive."

Rival Groups Organize

Supporters of King Birendra and others who worked within his party-less political system are beginning to organize parties of their own to challenge the Communists. The army remains loyal to the palace, and many civilian politicians fear its intentions more than those of the radical leftists.

In joining the interim Government led by the Nepalese Congress Party under Prime Minister Krishna Prasad Bhattari, the Communists and other leftist groups submerged serious differences of opinion with their partners.

They differ with the Nepalese Congress on relations with India and on the future role, if any, of the monarchy.

While the Nepalese Congress is regarded by many as a creation and close ally of India, the left is taking a tougher line, accusing New Delhi of trying to infringe on Nepal's sovereignty.

The majority of leftists are also opposed to the monarchy.

"Because of the special situation in the country, and because of the alliance with the Nepali Congress, we compromise on ideology just to maintain the people's unity," Mr. Tuladhar, an active member of the United Left Front and a potential future prime minister, said.

"But if there is no peaceful transfer of power from the King to the people, or the King to the elected government, the parties will be compelled to call the people again to come out into the streets," he said.

American Asks Hanoi to Free His Brother, Seized in April

HONG KONG, May 10 (AP) — An American businessman urged the Vietnamese authorities today to release his brother, who has been detained in Vietnam for 18 days.

The businessman, Peter Morrow, told reporters that his brother, Michael, a 45-year-old Hong Kong-based publisher, was taken into custody by Vietnamese security personnel in central Danang on April 23 and taken to Ho Chi Minh City. He was traveling with a French investor, Thierry Rodzynek, who was held briefly and then released.

Initial reports said two Americans had been taken into custody, but the State Department confirmed only the arrest of Mr. Morrow.

The official press in Vietnam has made not mentioned the detentions.

Peter Morrow said his brother and the Frenchman were in Vietnam investigating business opportunities in the hotel and tourist industries.

The Vietnamese were "apparently very concerned with the large amount of business papers that Michael brought along with him," Mr. Rodzynek told reporters. It is not known if Mr. Morrow was accused of wrongdoing.

5-7-8174

Nepal Party Chief Warns King to Turn Over Power

By BARBARA CROSSETTE

Special to The New York Times

KATMANDU, Nepal, May 7 — The King of Nepal has been warned by the country's leading political party that if he does not turn over substantial powers to the interim Government, the party will call crowds back into the streets to force the issue.

In an interview today, Girija Prasad Koirala, general secretary of the Nepalese Congress Party, which leads the interim administration, said he delivered that message to King Birendra at the royal palace on Sunday.

Mr. Koirala said he told the King "in no uncertain terms that I would have to go to the people."

"The meeting was very friendly, but the talk was very serious," said Mr. Koirala, who was interviewed after briefing his party's leaders on the meeting. He said Prime Minister Krishna Prasad Bhattarai would meet the King for talks on Tuesday.

"The results will tell whether he is really serious about giving power to the Prime Minister," Mr. Koirala said. "If he doesn't do this, we have no other option but to go to the people and start the movement again."

In early April, after a wave of unrest against King Birendra's nearly absolute rule, the King ended a 29-year ban on political activity and agreed to elections and a new constitution. Prime Minister Bhattarai's Government took office shortly after that.

There are no reliable casualty figures for the days of protest in early April, when the police fired on demonstrators demanding an end to the partyless electoral system that was introduced by King Birendra's father, King

Mahendra. Estimates of the dead range from 15 to 500. The Indian press, apparently trying to damage Nepal's reputation, reported 1,500 killed, but no one here defends that estimate.

King Birendra, who with the King of Bhutan is among Asia's few remaining monarchs, is clearly on the defensive in Katmandu. Most Nepalis say this situation does not extend to the remoter parts of the country, where 80 percent or more of the people live and where the King is considered an incarnation of the Hindu god Vishnu.

Mr. Koirala said the King was not cooperating with the new Government.

Discussions on the Constitution and how it should be written are creating political divisions. Some Communist parties are pressing for an elected constitutional convention and the ultimate abolition of the monarchy, said Albert Blaustein, a Rutgers University law professor who has been visiting here.

Mr. Blaustein — who has been a consultant in the constitution-making process in Romania, Fiji and, most recently, Nicaragua — has been in Katmandu for the last week as a guest of the Nepal Law Society. The lawyers' group has just ended a three-day conference here on possible constitutional models.

Prime Minister Bhattarai had promised a new constitution in 90 days. But there is no consensus on fundamental issues, such as the shape of the constitutional monarchy and the scope of the charter in economic and social areas.

No framing body has been set up. "The delay in drafting the constitution is serious," Mr. Koirala said. "So the King should form a constitution committee immediately, and set at rest the suspicions of the people."

Mr. Koirala said the people feared that the King was "backing off" from his promises of political reform.

The King remains out of sight in his palace here. All his statements are read by aides, and he does not respond to requests for interviews.

Lebanon Militia Kills Guerrilla

JERUSALEM, May 7 (AP) — Israeli-backed militiamen killed a pro-Syrian guerrilla and captured another today in a clash in south Lebanon, the army said. A pro-Israeli militiaman suffered light wounds when guerrillas attacked a militia patrol near Beit Yabun, the army said. Fighters of the Israeli-backed South Lebanon Army returned fire, killing one guerrilla and capturing another, the military said. The army said the guerrillas apparently belonged to the Syrian Socialist Nationalist Party, a pro-Syrian militia.

SEND A CHILD TO CAMP:
GIVE TO THE FRESH AIR FUND

Nepal Seeks Less Reliance On Foreign Economic Aid

By SANJOY HAZARIKA

Special to The New York Times

KATMANDU, Nepal — Nepal's new Government, swept to power last month by a pro-democracy movement, hopes to reduce this impoverished nation's dependence on foreign aid and credit, but officials admit it will be a difficult task.

"The economy is in a shambles," said Devendra Raj Pande, the Finance Minister, who is among the few members of the Cabinet of the new Prime Minister, Krishna Prasad Bhattarai, who have extensive government experience. "Our development plans are foreign-aid-driven, not locally driven, and this is what we must change."

International aid officials and senior Nepalese economists agree, but it is not clear yet how this can be achieved in a nation that last year relied on \$200 million in loans, mainly from the World Bank and the Asian Development Bank, and \$468 million in grants from Western nations. Many experts say the country could not survive without this aid, which amounts to almost 20 percent of its gross national product.

"I think that every vegetable has a foreign aid project behind it," said Dipal Gyawali, one of the country's top water resources specialists.

Problems With Agriculture

Nepal has virtually no industries, underdeveloped agriculture and poor transportation. It suffers from widespread destruction of its forests by timber companies, which has resulted in soil erosion, and it is not self-sufficient in food.

The biggest industry is tourism, which brings in about \$50 million a year but has been hurt this year by the civil agitation that toppled two Governments and forced sweeping changes by King Birendra, who had ruled unchallenged until now.

This country of 18 million people is ranked among the poorest in the world by the World Bank, which estimated Nepal's per capita income at about \$170 a year.

"We have an overall economic growth rate of about 3 percent annually and a population increase of 2.7 percent," said Mr. Pande. He was the Finance Secretary, or the senior bureaucrat in the Finance Ministry, for 20 years until 1980.

He said in an interview last month before he took office that a year-long trade dispute with India, Nepal's neighbor and largest trade partner, had sent prices of all commodities soaring and hurt domestic savings. Inflation has increased to an estimated 13.5 percent this year, compared with 10.1 percent last year.

Problem of Corruption

The previous Government had been criticized for its poor human rights record, which contributed to the social unrest, and for widespread corruption, which slowed development projects.

Aid specialists and foreign consultants said much money had been diverted by a system of patronage and corruption that extended from high officials to village-level lawmakers, called panchas.

"The village pancha would have a project located on his land, or on a friend's plot, with the contractor being another friend, and funds that would be shown as being used to purchase pipes or build roads," said one official in Nepal.

"Instead of five kilometers of roads," he said, "you'd have just one kilometer, but the money would be shown as well-spent."

OPEN A CHILD'S IMAGINATION:
GIVE TO THE FRESH AIR FUND

Angry Nepalese capture officials

Reparation demanded for murders by police

Reuters

4/23/90

KATMANDU, Nepal — Thousands of people captured Nepal's new interior minister today and forced him to promise a crack-down on police held responsible for dozens of deaths during a successful democracy campaign.

Earlier, angry throngs beat at least six policemen senseless. Witnesses said at least 21 policemen were captured and beaten in several attacks in Katmandu by crowds who accused them of trying to rob shops and homes.

The people claimed the policemen had confessed that hardline monarchists had paid them to discredit Nepal's four-day-old multiparty government, pledged to reduce all-powerful King Birendra to the status of constitutional monarch.

Five hundred people split off from the main gathering taking over the streets of central Katmandu to march to the royal palace and chant: "Birendra, quit the country."

The main crowd, thousands strong, captured Interior Minister Yog Prasad Upadhyay and National Police Chief Hem Bahadur



Reuters

Nepalese demonstrators in Katmandu place several policemen, who had been beaten unconscious, on a cart before parading them through the city. The demonstrators had accused police of looting.

Singh when the two went to a street where at least nine policemen had been beaten. Six of the policemen were unconscious, possibly dead.

Witnesses said the crowd forced the two men to march to a central park, the main rallying point of demonstrators.

Upadhyay, a leader of the democracy movement that the previous hardline government sought to crush with mass detentions and police bullets, promised to stop police from joining the alleged monarchist plots.

"We're going to take some

concrete steps by this evening and law and order will be restored within a week," he said.

Police used batons and tear gas to rescue Singh from the crowd after he and Upadhyay were marched to the Singha Durbar (the Lion Palace) government headquarters, witnesses said. The minister slipped out of the building.

It was the only intervention reported so far today by security forces.

Earlier, Health Minister Mathura Shrestha, a hero of the movement that wrung promises of parliamentary democracy from the

king, was booed and shouted down, witnesses said.

He had urged the crowd to let the "honorable" police chief speak. The crowd forced him to withdraw the word honorable.

Nepal's police killed dozens of democracy demonstrators on April 6 and many young activists are seeking revenge.

After the shootings, King Birendra bowed to demonstrators' demands and legalized political parties. Liberals and leftists joined forces in an interim government sworn in last Thursday.

Nepal's New Premier Takes Office

By SANJOY HAZARIKA

Special to The New York Times

KATMANDU, Nepal, April 19 — Nepal's experiment with multiparty democratic government formally began today on an enthusiastic and emotional note.

Krishna Prasad Bhattarai, 66 years old, was sworn in as Prime Minister by King Birendra at the royal palace at a brief ceremony that marked the beginning of a new chapter in Nepal's political life.

For the first time in 30 years, a politician who had bitterly opposed the monarchy was being asked to head a government.

Hundreds of workers from the Nepalese Congress Party and the seven-party Communist alliance swarmed the large hall at the main Government complex, where Mr. Bhattarai administered the oath of office to his 11-member coalition Cabinet.

The King's role is still powerful under the Constitution, which the new Government has pledged to revoke. It wants to write a new democratic constitution that makes the monarch a constitutional figurehead.

Anti-Government Leader Speaks

"It is only a question of time before he becomes a constitutional monarch," said Jog Prasad Upadhyaya, the new Home Affairs Minister.

The crowd was dominated by young Nepalese, many of whom had taken part in the democracy movement that forced King Birendra to reduce his powers, dismiss his Prime Ministers and dissolve Parliament. They cheered when the ministers affirmed that they would serve "with honesty."

Previous governments were reputed to be extremely corrupt, and a favorite slogan among the pro-democracy protesters was "Thieves, lawmakers, leave the country!"

The Cabinet has four members of the Nepalese Congress Party, including Mr. Bhattarai, three Communists, two independents who are prominent human-rights organizers, and two nominees of King Birendra. The King's nominees were a former Communist and a former Nepalese Congress member.

The Communist leader, Sahana Pradhan, the sole woman in the Cabinet and the new Industry Minister, said to a reporter that businessmen need not fear her. "They should cooperate," she said.

Corrections

An article in Business Day on April 12 about a new development bank for Eastern Europe misidentified the ranking Republican on the Senate Appropriations Committee. He is Mark O. Hatfield of Oregon, not Robert W. Kasten Jr. of Wisconsin.

An entry in the Executive Changes listing of Business Day on Tuesday misstated the corporate structure of the Leslie Fay Companies. It is a publicly held company, not a subsidiary of Goldome and the New Lefco Corporation; New Lefco is Leslie Fay's former name.

A chart on the Health page yesterday about preventive health procedures misstated the recommended frequency of mammograms to detect breast cancer for women over 50. It is one to two years, not every two years.

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Tense Days for Nepal's King: Foreign Aid Reported at Risk

By SANJOY HAZARIKA

Special to The New York Times

4/19/89

KATMANDU, Nepal, April 18 — The World Bank and several nations that give aid to Nepal warned aides to King Birendra last month that financial help for this impoverished kingdom could be jeopardized if the King failed to respond to the pro-democracy movement that has since started to take power, officials here say.

The pro-democracy agitation, led by the Nepalese Congress Party and a Communist coalition, included a surge of popular unrest and street marches that peaked 12 days ago, and won an end to Nepal's 30-year ban on political activity, declared by King Birendra on April 8. A member of the Nepalese Congress Party, Krishna Prasad Bhattarai, was named Prime Minister, and he announced the names of the 11 members of his Cabinet today.

An international aid official said today that the World Bank's concern about the future of Nepal, one of the world's poorest nations, was made known to officials in the palace and the Finance Ministry late March as the movement grew in strength.

The bank financed 65 million dollars in projects last year and plans to finance a series of projects worth about 120 million dollars per year for the next 5 years.

Former Foreign Affairs Minister Shailendra Upadaya, who was in the Government at the time, said he knew about threats of aid disruption from France, Britain, the United States, West Germany and Switzerland.

Fresh commitments of 466 million dollars in aid to Nepal in fiscal year 1988-to-89 were made by the Aid Nepal group, a consortium including West Germany, Japan, Britain, Switzerland and Canada, that is chaired by the World Bank.

"If the Government had come to the Aid Nepal meeting in Paris in May" without making major political and economic changes "it would have got a rocket," said the international aid official. The warnings, he said, "did have some effect." He did not elaborate.

He and others here said West Germany and Switzerland had virtually decided on April 8 to pull back on existing projects and delay future assistance. Then, King Birendra bowed to the

movement and ended a ban on political activities. The pro-democracy movement took another week to force the resignation of the King's Prime Minister, Lokendra Bahadur Chand, and the dissolution of Parliament, paving the way for an opposition government and new elections.

The new 11-member government led by Mr. Bhattarai, which is to be installed Thursday, gives key economic posts like Industry, Commerce, Agriculture, Tourism and Land Reform to leftists. The Finance post went to Dhirendra Raj Pande, a prominent human-rights organizer and independent economist. Mr. Pande also is a former Finance Secretary.

Significantly, Mr. Bhattarai kept for himself the portfolios of Foreign Affairs, Defense and Palace Affairs. The last post involves coordination with the 44-year-old King, who has ruled with near absolute powers since 1972. Aides in the Nepalese Congress were given important posts of Home Affairs, which involves control of law-enforcement and the intelligence network, and Water Resources.

The international aid specialist said in an interview here that donor nations, while impressed by Nepal's prudent management of its foreign-exchange reserves, credit restraints and budget management, were irked by its poor record on using large amounts of money for big projects.

He estimated that more than one billion dollars of foreign assistance has not been disbursed over several years because of poor handling of projects and administrative inefficiency. He said many donors and international financial institutions also were aware of reports of widespread corruption at several levels in government in Nepal, the world's last Hindu kingdom, which has a population of about 17 million.

International assistance is made in three main areas: the construction of roads, irrigation projects, hydroelectric projects and telecommunications; agriculture and forestry, and social services, including primary and health programs as well as assistance to small, medium-sized and home industries.

The king lifts ban on political parties

Winds of change

By A Correspondent

Nearly two months of nationwide mass agitations have forced Nepal's King Birendra to bow to the popular will. On 9 April, as the news spread that the 30-year-old ban on political parties was to be lifted, most of the population of Kathmandu — including women and children — began flocking to the city streets to join the pro-democracy victory marches.

Peaceful demonstrations by political activists since 18 February took on a popular mass character when the police resorted to the shooting of unarmed civilians and large-scale arrests. On 6 April, the king dismissed Marich Man Singh Shrestha, his hand-picked prime minister who had been a major target of the demonstrators. This did not satisfy the leaders of the banned Nepali Congress party and leftwing groups — which had jointly begun the movement — and the king had to lift the ban on political parties and begin negotiations with the oppositionists.

On 8 April, the 46-year-old monarch held talks with K. P. Bhattarai, the leader of the Nepali Congress, and conceded to the demand that the existing system of the partyless panchayat system — or non-party elected councils — be scrapped. The king also began discussions with the Nepali Congress, the leftists and panchayat lead-

ers on the formation of an interim coalition government. A multi-party committee to reform the constitution was also to be formed and free and fair elections under a new set-up were promised.

To assuage popular feelings, the government will investigate police atrocities during the unrest of the past months. Hundreds of dissidents as well as 38 journalists who had been jailed by the previous government were released. The country's newspapers, which have long suffered from arbitrary censorship, were allowed to publish freely. For the first time in three decades, the newspapers began printing stories on political parties and their leaders which had been a taboo.

Shrestha and some of his hated colleagues were moved to a special detention camp under royal army guard "for their own safety."

One of the main, but unarticulated, elements of the pro-democracy movement has been to curb the powers of the king, who has headed the reviled panchayat system and wielded unquestioned authority. On 10 April, the newly appointed foreign minister, Pashupati Rana, indicated that the role of the monarch would be changed — probably to that of a constitutional head — "according to the will of the people and the changing times."

Although the future of the panchayat re-

gime — extending from the national level down to villages — is doomed, Rana indicated that the panchayat movement could be retained as a conservative lobby or party. Bhattarai said that under a new dispensation the Nepali Congress could form a centrist bloc, with the panchayat representatives — who now total some 500,000 people and are an entrenched element after 30 years in power — on the one side and the leftwingers on the other. Although a few extreme leftist parties have denounced the latest attempt to revamp the political system as a conspiracy between the king and Nepali Congress, their view is unlikely to prevail.

While the process of liberalisation cannot be reversed, the shape of the future political system will depend on the extent of its democratic content and the powers of the king — particularly the latter because monarchy as an institution enjoys support among the largely rural masses. The root cause of disaffection has been the corrupt panchayat system enjoying a powerful king's patronage while not being answerable to the people.

External reaction to the recent changes in Nepal has been mainly favourable. The US State Department welcomed the abolition of the panchayats and the release of political detainees. Several West European nations which had expressed their concern at the abuse of human rights and threatened to cancel aid to Kathmandu could now rethink their positions. A Chinese Government spokesman reiterated Peking's stance that the changes were an internal Nepalese matter. But analysts believe Peking is watching the winds of change in Nepal rather warily. New Delhi welcomed the changes. ■

Omnibus option

An often bitter dispute between India and Nepal over the lapsed trade and transit treaties has taken a new turn, with direct implications both for New Delhi's image in regional diplomacy and for internal Nepalese politics.

A still unpublicised paper, handed over in Kathmandu by visiting Indian Foreign Secretary S. K. Singh on 31 March, proposes to merge virtually all the issues of bilateral relationship into a single "agreement on mutual cooperation." The Indians want the new, omnibus accord to combine preferential clauses for Indian defence and economic interests, and for Indian nationals, with hitherto separate treaties on trade, transit and smuggling.

The Indian draft proposes specific guarantees for Indian nationals to buy land, hold assets and conduct trade in Nepal. These activities are now restricted or qualified by Nepalese law, despite the equal-treatment provisions for nationals of both countries in a 1951 Indo-Nepalese treaty of friendship. The paper envisages an explicit undertaking by Kathmandu to repeal all legislation that treats Indian nationals in the same way

as foreigners from third countries.

In addition, the draft proposes that India have first option to supply all future Nepalese defence procurement and defence training. In the past, Nepal has sourced weapons and training from China, the US, Britain, West Germany and Pakistan, as well as from India. The Indians also envisage gaining first option in any future development of Nepal's water and hydroelectric resources, and for other projects loosely but widely categorised in the draft as "economic and industrial cooperation."

A concluding provision in the paper delivered by Singh states that all parts of the proposed omnibus treaty will be interconnected and treated as a whole, a phrase which the Nepalese fear could be used by India to abrogate the entire agreement if performance in just one respect fails to please.

Indian sources concur that this is not what Kathmandu had expected from Singh's visit. They expected Singh to ask the Nepalese to make a general declaration of deference to India's security perceptions.

Indian observers wonder why New Delhi has sent Kathmandu a proposal which could well provoke anti-Indian nationalism playing straight into the hands of a politically beleaguered King Birendra. ■ James Clad

For Nepalese, Talk Now Centers on Politics

By SANJOY HAZARIKA

Special to The New York Times

KATMANDU, Nepal, April 17 — In homes and offices, at public meetings and dinner parties, in villages and towns across Nepal, conversations center on one Nepali word: bahu-dal.

The word means many parties, and it is used these days in connection with the lifting on April 8 by King Birendra of a 30-year ban on political activity.

Politicians, especially leaders of Communist Party factions, have emerged triumphantly from decades of hiding to address large rallies and denounce the Government. Many Nepalese seem to be reveling in freedom, even some disorder, without fear.

On Sunday, groups smashed the Mercedes-Benz of Prime Minister Lokendra Bahadur Chand, who resigned on Monday, and several official vehicles, while the police watched without interfering. The Prime Minister was besieged in a building for 15 hours, and no policemen made a move to free him.

Riot Police Stand and Watch

On Monday, hundreds of school and college students stormed a movie theater where tickets were being reportedly sold illegally, smashed windows and burned furniture while riot police officers stood and watched.

"No police officer wants to take a decision; they're scared stiff of the new multiparty government," a former Government adviser said.

Public rallies, street protests and victory marches by thousands of slogan-shouting young men and women — unheard of for decades in this country, where many Government critics were imprisoned without trial and the

press was censored — have now become a normal feature of everyday life and a reflection of the burst of free expression sweeping this Himalayan Hindu kingdom of 17 million people.

But below the furious activity, some advise caution about the powerful system of Government that still controls

the country, often bypasses traditional politicians and may resist change.

For 30 years, Nepal has been controlled by a political structure known as the panchayat, or council, with King Birendra, a 44-year-old ruler, who has ruled since 1972, as the head of state with near absolute powers.

A Powerful Secretariat

The King is assisted by a powerful secretariat in the royal palace. At his discretion, he can appoint or dismiss his Council of Ministers. The Constitution even has a clause that enables the King to rule without the assistance of a Prime Minister and adds that his actions cannot be investigated.

The opposition bluntly told the King on Monday that it wants him as a "constitutional monarch of a parliamentary democracy" with lawmakers holding real power. They have demanded his cooperation and the dismissal of all major political appointees, especially in the powerful bureaucracy and police, and after a meeting today the King reportedly pledged to assist Prime Minister-designate Krishna Prasad Bhattarai of the opposition Nepalese Congress Party.

Until April 8, the political structure promoted a "partyless" system of government that encouraged the election of candidates on their personal record and banned political parties. There was the national Parliament and town district and village level councils below it. Parliament was dissolved on Monday and the other agencies are also likely to be dismissed.

Nepal is one of the world's poorest nations, with a per capita annual income of about \$170.

Greece Threatens to Expel Syrian Envoy Over Terrorism

Special to The New York Times

ATHENS, April 17 — Greece's new conservative Government warned a Syrian diplomat today that it would expel him unless he gave a satisfactory explanation for a statement interpreted as supportive of terrorism.

A Government announcement said Foreign Minister Antonis Samaras summoned the Syrian Ambassador, Shain Farah, and warned him that Mohammed el Sayed, a commercial counselor at the Syrian Embassy, would be declared persona non grata "unless he provided satisfactory explanations on the controversial point in the contents of a letter to an Athens daily."

The newspaper, Apogevmatini, charged last month that Mr. Sayed was involved in terrorist activity in Greece and abroad. In a letter to the newspaper, Mr. Sayed categorically denied the allegations, but added, "I am a scholar with religious convictions, and naturally do not totally reject any form of violence in political activity."

Mr. Sayed declined to comment on the Greek Government's warning.

Opposition to Form Nepal's Government

By SANJOY HAZARIKA

Special to The New York Times

KATMANDU, Nepal, April 16 — King Birendra of Nepal today invited the national opposition, including the country's Communist leaders, to form the first multiparty government in 30 years as this Hindu kingdom continued its passionate rush toward democracy.

Krishna Prasad Bhattarai, the 66-year-old leader of the Nepalese Congress Party, was the unanimous choice to assume the post of Prime Minister.

He spent 14 years in jail along with other opposition critics under King Birendra and the King's father, the late King Mahendra. Top officials and opposition leaders said the new government could assume office on Tuesday, once Mr. Bhattarai and his party's 75-year-old patriarch, Ganesh Man Singh, met King Birendra at the royal palace.

Mr. Singh had a 105-minute audience with the King this afternoon, in which he put forth the opposition's claim to succeeding the Government of Prime Minister Lokendra Bahadur Chand, who quit early this morning. Mr. Singh also reportedly sought to persuade the King that he must eventually become a constitutional figurehead.

Abusive 15-Hour Siege

Mr. Chand's resignation followed an abusive and occasionally violent 15-hour siege in which the Prime Minister and his Cabinet were kept from leaving negotiations at a Government complex.

The complex was surrounded by thousands of Nepalese demanding the dissolution of Parliament and the ouster of the Chand Government, which had been in power for nine days. mobs attacked and smashed businesses belonging to the Prime Minister and others and threatened several times to surge into the building as a handful of lightly armed and worried policemen watched helplessly.

Mr. Chand's resignation was announced by the embattled King this morning in a brief broadcast, his second such broadcast in less than two weeks. In his broadcast, King Birendra also bowed to the other major demand of the opposition: the dissolution of the national Parliament.

Elections Within a Year

The King paved the way for new elections to Parliament by suspending a law requiring any candidate to be a member of one of six government associations. Mr. Bhattarai said elections would be held before next April.

The concessions by the King did not go far enough for Mr. Singh, who was quoted as saying, "The great benefits the country shall derive if His Majesty very graciously accepted the role of a constitutional monarch of a parliamentary democracy." Crowds cheered as the statement was issued after the meeting outside Mr. Singh's home.

Mr. Singh said the King did not "express himself" explicitly on that demand. Mr. Singh, the supreme leader of the Nepalese Congress Party, rejected a suggestion by the King that he lead the government, citing ill health. Instead, he suggested Mr. Bhattarai.

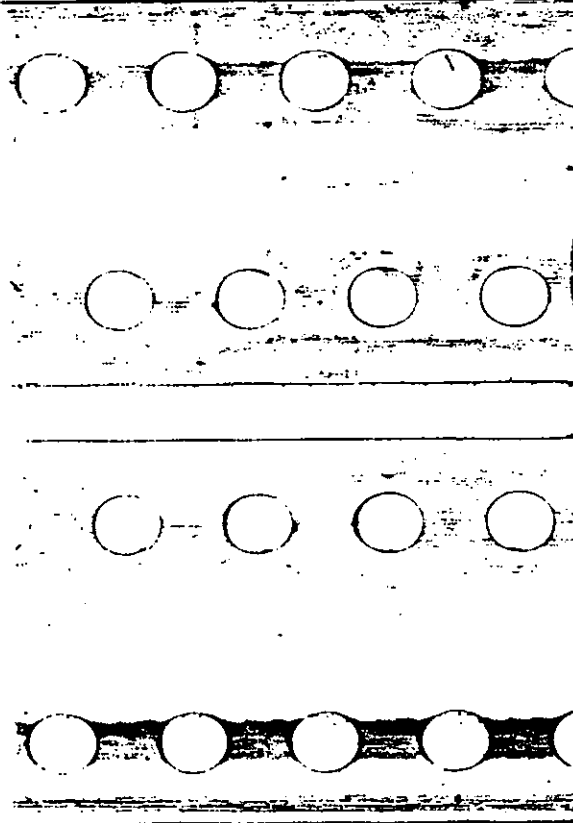
At a news conference the politicians pledged to do away with the laws under which they had suffered. "We will not need any such security measures by which we will have to prevent anybody and put him in prison for his ideas," said Mr. Bhattarai. He also said that he proposes to investigate charges of corruption against previous governments without "victimizing anyone."

Mr. Bhattarai, a socialist, lives a Spartan life in this country of 17 million, where the per-capita income is about \$170. He owns no property and lives in a two-room apartment in his sister's home. He said his priority as Prime Minister would be to improve ties with India, soured by a yearlong trade dispute that has sent prices soaring across Nepal and caused shortages of goods. Supplies of commercial and industrial products have shrunk.

India is likely to soften its position on trade and political talks with Nepal because of the prospects of a friendly government that includes figures and

parties supported politically and financially by India for decades.

The Congress Party of India as well as the ruling Janata Dal of Prime Minister V. P. Singh include many figures who have personal and political relations with Nepal's opposition. Indian leaders have demanded quick political reforms by Nepal's King, and New Delhi has made little secret of its belief that the King should surrender power to a democratic government.



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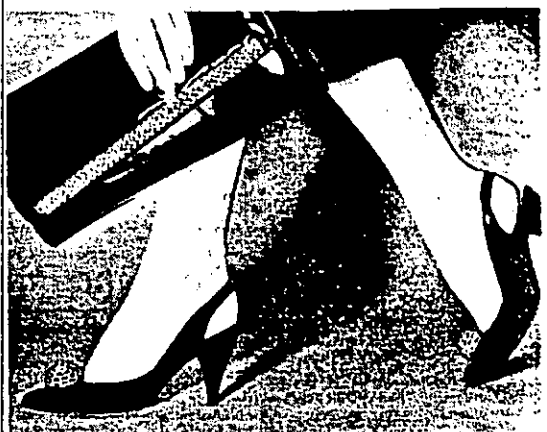
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Saks Fifth Avenue

King of Nepal Invites Head of Opposition to Talks

4/19/90
By SANJOY HAZARIKA

Special to The New York Times

KATMANDU, Nepal, April 12 — In an effort to end a four-day political stalemate, King Birendra has invited the leader of Nepal's opposition for direct talks, apparently on the formation of a new transitional government, an opposition spokesman said today.

The King's overture was seen as a move to end a stalemate on the formation of a new interim government comprising members of the pro-King forces, and the pro-democracy forces, which include the Nepali Congress Party of Ganesh Man as well as a six-party leftist alliance that would supervise new elections.

"The proposal for a meeting came

today through a mediator," said a Nepali Congress spokesman, P. L. Singh. Mr. Singh said that Ganesh Man Singh, the main leader of pro-democracy forces that fought Nepal's monarch to lift a 30-year ban on political parties last Sunday, had been invited to the palace.

The spokesman said the opposition leader, who is 75 years old and suffers from a kidney ailment, did not visit the royal palace tonight.

Could Rouse Public Anger

The moves came as unconfirmed reports spoke of changes in the King's staff, although it was not immediately clear how significant the changes were. Those who are reported to have been either transferred or dismissed include the King's secretary, a military aide and a former foreign policy adviser.

It is unlikely that the King will send Mr. Singh back empty-handed, as that could rouse public anger again and set off a new confrontation with the Government.

The turning point in the movement came last Friday when troops fired into a crowd of tens of thousands of protesters in Katmandu, as they surged

near the palace demanding democracy and freedom of association. A three-member team from Amnesty International, the human-rights organization, has arrived here to examine reports of casualties and police violence in the crackdown against the movement.

The Government says about 12 people died in the shooting on Friday, while diplomats said 30 to 50 were killed. The opposition has asserted that the death toll was much higher.

Seeking a Swift Reply

The president of the Nepali Congress, Krishna Brasad Bhaddare, said that the opposition sent a charter of eight demands to the King this morning and sought a reply within a day.

The demands included the dismissal of the existing Government of Prime Minister Lokendra Bahadur Chand, the dissolution of the National Parliament and all tiers of the panchayat, or council system of governance that has existed in Nepal for 30 years, sweeping constitutional changes and the release of all political prisoners and adequate compensation to families for those killed and wounded in the agitation.

Meteorology: Pennsylvania State University

PREMIER A CAPTIVE IN TALKS IN NEPAL

Irate Protesters Prevent Him
From Leaving Meeting —
3 of 8 Demands Met

By SANJOY HAZARIKA
Special to The New York Times

KATMANDU, Nepal, Monday, April 1 — Tens of thousands of demonstrators, unhappy with the pace of political change, on Sunday besieged a building where the Government had opened formal talks with the opposition. Demanding the resignation of the Cabinet and the disbanding of Parliament, they prevented Prime Minister Lokendra Bahadur Chand from leaving the building in a standoff lasting 15 hours.

The siege was lifted early this morning as opposition leaders emerged from the negotiating session. One of the opposition negotiators, Prasad Upadhyaya, said the crowd dispersed after he thanked them for their "vigil and cooperation."

The demonstrators had stoned the Prime Minister's car, preventing him from leaving the meeting site, the Royal Academy, Katmandu's main cultural center. The Prime Minister had intended to go to the royal palace nearby to meet with King Birendra on the opposition's demands.

"I don't understand," the Prime Minister said of the protest. "I was going to facilitate the negotiations."

Progress, but Not Enough

As the siege ended, Prime Minister Chand said the two sides had "made a lot of progress but the situation outside was not conducive" to an agreement. A senior official said the Prime Minister was likely to call on the King today to seek his approval on three issues on which the two sides have differed.

The Prime Minister, whose car was heavily damaged by the demonstrators, drove away from the talks this morning in a Government jeep along with several other lawmakers.

The talks were opened after seven weeks of protests led by the Nepalese Congress Party and the United Left Front to demand greater political freedom in the Himalayan kingdom. Last



Demonstrators blocking the exit from the Royal Nepal Academy in Katmandu yesterday, preventing Prime Minister Lokendra Bahadur Chand's car from leaving the grounds after his meeting with opposition leaders.

Sunday, Birendra made a substantial concession to the wave of protest, agreeing to lift a decades-long ban on political activity.

The siege of the building today began in the afternoon as the talks started. After forcing the Prime Minister to retreat into the building, the protesters deflated the tires of his new Mercedes-Benz and several vehicles belonging to members of his Cabinet and other Government officials, preventing the possibility of escape.

Destruction of Vehicles

Then the crowd, growing increasingly restive as it awaited word of the negotiations, smashed the vehicles, dancing on their roofs, shattering their windshields and ripping upholstery.

Mr. Upadhyaya told reporters that the Prime Minister had all but agreed

to concede five of the eight major opposition demands. But three important demands — calling for the resignation of the Cabinet, the dissolution of Parliament and the establishment of a special constitutional panel — were not being conceded, he said, because the decision was up to the 44-year-old King.

Officials and opposition representatives said that under protocol, the Prime Minister could not speak directly to the King by phone.

"The problem is from our side," the Prime Minister said.

The crowd — which chanted, "Lawmakers are thieves, get out of the country" — dwindled from thousands to a bolder group of about 700 by early morning; the protesters ringed the four high iron gates around the building, while about 500 riot police officers armed only with cane sticks watched

and did not interfere.

Early this morning, angry youths men smashed one of the wooden doors of the building, but they were restrained from surging into the building by opposition-party workers and by policemen in civilian clothes. A handful of uniformed police, armed with walkie-talkies and little else, and a smaller number of Gurkha soldiers with rifles were inside the building as the siege continued.

"We are virtually prisoners," Mr. Upadhyaya had said before the protesters dispersed. He said the crowds outside did not respond to his appeal to allow the Prime Minister to go out.

What Was Accepted

There was no formal announcement of agreement on the opposition demands that Mr. Upadhyaya indicated were not still in dispute. These were the repeal of anti-democratic clauses in the existing constitution, the disbanding of the council system of government at the district and village levels, the nationalization of all council property, the release of all political prisoners, and compensation to the relatives of people killed in the protest movement.

The protesters had shouted that they would not disperse until their demands were met.

"They are like our prisoners and we will not let them go," said Mohanlal Gurunv, a student. Flags of the Nepalese Congress Party fluttered from the building as well as the hammer and sickle of the Communist Party. But parties were banned until last Sunday.

In Old Jerusalem, Christians and Muslims Protest

By SABRA CHARTRAND
Special to The New York Times

JERUSALEM, April 15 — Thousands of Christians celebrated Easter today at the Church of the Holy Sepulcher while around the corner protesters paraded outside the four buildings that 150 Jewish settlers occupied last week.

As Christians of all denominations crowded into the church, built on the sites at the end of the Via Dolorosa where, according to Christian tradition, Jesus was crucified and rose from the dead, dozens of police officers and soldiers guarded the narrow market streets leading around the corner to St. John's Hospice, a 72-room complex occupied by the Jewish settlers and renamed "Nevi David," or Dwellings of David, on Wednesday.

Protests against the settlement from a wide range of Christians, Muslims, Israelis and others continued today, as they have through the week.

A Wave of Protest

At week's end, a Jerusalem magistrate's court ruled that the complex legally belonged to the Greek Orthodox church, which had filed suit to have the settlers evicted. But the Jews, who said they had sublet the buildings from the previous tenant, obtained a four-day injunction against the eviction from a higher court. The High Court is expected to hear further arguments in

the case on Tuesday or Wednesday.

The Jewish settlement is the first in the Christian Quarter since Israel captured the Old City from Jordan during the 1967 war. It is also the largest Jewish settlement within the Old City walls outside the Jewish Quarter.

The settlers' unannounced move into the buildings touched off an angry wave of protest from Christian and Muslim leaders, Palestinians and even Jerusalem's Mayor, Teddy Kolek, who is Jewish.

Clergymen and Arab residents saw the move as insensitive and a provocation during Easter week, while Mr. Kolek urged Jews to consider "how they would feel if singing and dancing Christians or Muslims moved into the Jewish Quarter on Passover."

About 200 members of Peace Now, the leftist Israeli group, protested outside the building today.

City officials say the guiding philosophy for the Old City has been to preserve the historic religious and ethnic divisions between its Muslim, Christian, Armenian and Jewish Quarters. For that reason, Muslims living in the Jewish Quarter were forced to leave when Israel took control of the Old City in 1967.

The Jordanians had systematically destroyed large portions of the quarter during the 20 years they controlled it,

and now that quarter is populated by about 4,000 Jews.

Dole Warns Israelis

Special to The New York Times

WASHINGTON, April 15 — Bob Dole, the Senate Republican leader, said today that he had warned Israeli officials that Americans were growing impatient with the "special relationship" this country shares with Israel.

Mr. Dole also said he repeated his belief that Congress, facing a huge domestic debt and demands for financial support from emerging democracies in Eastern Europe and Latin America, should consider reducing aid to Israel.

In an interview from Jerusalem on the NBC News program "Meet the Press" Mr. Dole said: "Now, maybe Israel wouldn't get hurt much, maybe they wouldn't be hurt at all. But to just stick our heads in the sand and say, 'Well, Israel forever,' that's going to be hard to sell."

Mr. Dole, who led a bipartisan Senate delegation that met with leaders including Yitzhak Shamir, the Israeli Prime Minister, whose Government fell in a vote of no confidence last month, said he reassured the Israelis that cutting aid to Israel would not jeopardize that country's position as a longtime ally of the United States.

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DEMOCRATIC BREAKTHROUGH

Freedom's surprising victory in Nepal

THE lightning bolts of democratic reform have struck in yet another nation. With luck, they will not touch off a bloody political conflagration.

Just last week in Nepal, the situation looked terribly bleak. Police opened fire on a crowd of more than 200,000 pro-democracy demonstrators, killing at least 50.

It was Nepal's worst bloodshed in more than a century, and a strong indication that the small Himalayan country would be taking the same hardline, anti-democratic stand as its neighbor, the People's Republic of China.

Suddenly, this week, came a dramatic turnaround. King Birendra, a monarch who wielded almost absolute power, announced in a proclamation on state-controlled radio and television that he would lift a 29-year ban on political parties.

Pro-democracy forces — which had grown rapidly in the past two months to include doctors, lawyers, teachers, bankers and government workers as well as students — were initially ecstatic. Tens of thousands paraded in the streets of Katmandu. This week, some opposition leaders called for the government to be dismantled and replaced by a constitutional monarchy.

Government officials announced that elections for the national assembly would be held soon. In a country with little democratic tradition, the transition from an absolute monarchy to multiparty pluralism won't be easy.

"The struggle for democracy was difficult, but it will be more difficult to maintain the democracy," said Ganesh Man Singh, an opposition leader who had been under house arrest.

No doubt true. But for now, at least, most of the world joins the Nepalese in celebrating, hopefully, another stunning victory for freedom and democracy.

(Seattle Times editorial staff writers are Mindy Cameron, Lance Dickie, John Hamer, Don Hannula, Richard Larsen, Terry Tang and Don Williamson.)

Nepal celebrates promise of a return to democracy

The Associated Press

KATMANDU, Nepal — People smeared their faces with ceremonial red dust and burst firecrackers yesterday in nationwide jubilation over the king's promise to re-establish a multiparty system in Nepal.

A left-wing radical group, the United National People's Movement, said Sunday's agreement between King Birendra and the leaders of a seven-week campaign for democracy did not go far enough. It pledged to continue the movement, using violence if necessary.

Before a curfew was lifted yesterday, reports said troops shot

and killed at least two people.

After curfew, hundreds of thousands of people marched through Katmandu and a half-dozen other towns to celebrate the agreement, clinched by the Nepali Congress party and the United Left Front, a coalition of left-wing parties. Laughing, whistling, clapping and chanting "Victory! Victory!" people wound their way through the streets on foot and in cars, motor-powered rickshaws and tractors.

"Democracy, democracy, we have now democracy!" a man shouted in English. Boys with hand-screwed "I love democracy" posters pinned on their backs zipped around on bicycles.

The Exuberant Nepalese Put on a Vermilion Face

By SANJOY HAZARIKA
Special to The New York Times

KATMANDU, Nepal, April 9 — Hundreds of thousands of Nepalese, their faces smeared with vermillion powder, waved the red flags of the Nepalese Congress Party and the Communist Party today as they flooded the streets of this city and others in an explosion of joy at the end of a nearly three-decade ban on political activity.

Young men, women and children paraded through the streets of Katmandu, the capital of this Himalayan kingdom. They draped themselves in their party colors, which fluttered from homes, Government buildings and even from the statue of King Mahendra, the father of King Birendra, the current ruler.

Cavalcades of trucks, buses, motorcycles, cars and bicycles carrying demonstrators swept through the city. Some danced to the beat of drums and brass cymbals and threw the vermillion powder used by the Nepalese during celebrations.

Life Settles Down a Bit

On Sunday night, after demonstrators had campaigned for democracy for about seven weeks, the King, who has exercised nearly absolute power, announced that he would permit political activity after a 29-year ban. He retained major decision-making powers.

A curfew, enforced over the last three days, was lifted this morning, and

Utter joy as an absolute ruler agrees to be less absolute.

soldiers were withdrawn from the streets. The police, armed with bamboo staves, were back on duty and many stores and markets opened as the confrontation between the King's supporters and the democracy movement eased.

Leaders of the Nepalese Congress and Communist Parties, including many who were underground until Sunday night, met to consider their strategies now. Some later addressed a rally not far from the King's palace, at which 250,000 people cheered and laughed as speakers criticized the current system and the ruling politicians.

Speakers also demanded the release of all political prisoners within a week and warned of new agitation if this did not happen. They also demanded the dissolution of the National Assembly, describing it as ineffective and irrelevant.

Many demonstrators' slogans criticized former Prime Minister Man Singh Shrestha, who was dismissed by the King on Friday after his hard-line policy against the democracy movement failed. At least 100 people have died since the movement began in February, 50 of them when the army and the police fired into crowds of protesters on Friday.

Will Investigate Judiciously

At a news conference, Prime Minister Lokendra Bahadur Chand, who has held office for four days, said he was prepared to investigate charges of corruption against predecessors in office. He said he would not do anything "in a spirit of revenge."

Mr. Chand, a nominee of King Birendra, was picked last week to negotiate with leaders of the movement. These attempts failed until King Birendra summoned the opposition leaders to the palace on Sunday night and announced political changes that would pave the way for elections, a new government and possibly a new constitution.

A senior Nepalese Congress leader said the 44-year-old King invited the Congress Party and the Communists to join the Cabinet.

Krishna Prasad Bhattarai, president of the Nepalese Congress, said in an interview that Birendra is still "the most powerful man in the kingdom, but he is prepared to shed some powers and we believe that eventually he will become a constitutional figurehead."

A Royal Panel

Mr. Bhattarai said the details of a transitional government were being worked out; Mr. Chand said at a news conference that his Cabinet was "the interim government." A Nepalese Congress politician said a new government would probably include five nominees by the King and four members each from the Nepalese Congress and the Communists.

No date has yet been set for elections, but Mr. Chand urged opposition leaders to join a royal commission on



King Birendra of Nepal, who announced on Sunday that a ban on political activity would be lifted.

constitutional reforms that would study the future.

A senior Government official was asked tonight about the possibility of the King becoming a titular leader, like Queen Elizabeth II of England. He replied: "It appears to be heading that way, but it will take time. We have to build up democratic institutions."

Some of the problems that the opposition faces were reflected at tonight's rally, when thousands booted and shouted down Girija Prasad Koirala, a senior Congress Party leader, when he described the changes as "our victory the victory of the King and the Panchayat," the Nepalese National Assembly. Mr. Koirala was not allowed to resume speaking, and he is known to have made overtures to the King and the ruling politicians over the years.

The Panchayat system, which the opposition wants to undo, does not recognize political parties and allows the election of candidates to local and national legislatures on the basis of their local influence. Critics say that the system has not helped the country to develop economically or politically. The King's supporters dominate the legislature.

Assad Tells Visiting Senators He Wants Better U.S. Ties

Special to The New York Times

BEIRUT, Lebanon, April 9 — President Hafez al-Assad of Syria told a visiting delegation from the United States Senate today that his nation wants better relations with the United States and a peaceful and just settlement of the Arab-Israeli conflict.

The Syrian state radio said Mr. Assad explained his Government's policy when he received the Senate majority leader, Bob Dole of Kansas, and his delegation: fellow Republican Alan K. Simpson of Wyoming, James McClure of Idaho, Frank H. Murkowski of Alaska and Charles E. Grassley of Iowa, and Howard M. Metzenbaum Democrat of Ohio. They later flew to Cairo after spending two days in Syria.

Mr. Dole said he had raised with Syrian leaders the issue of eight Americans and 10 other Westerners believed held hostage in Lebanon. Mr. Assad remarks as quoted by the Damascus radio made no mention of the hostage believed held by Shiite Muslim Lebanese militants aligned with Iran.

Norway Fears Deaths On Ferry Could Climb

Special to The New York Times

OSLO, April 9 — The bodies of victims of the North Sea ferry fire began arriving here today for identification as the Norwegian police said the death toll could rise to more than 176.

Rescuers in Lysekil, Sweden, where the gutted Scandinavian Star was towed after it caught fire early Saturday, reported finding bodies, many of them children, piled several deep in the ferry's cabins. The Danish-owned ferry was on an overnight trip from Oslo to the Danish port of Frederikshavn.

The Oslo Deputy Police Commissioner, Arne Huuse, said in an interview that 74 bodies had been removed from the ship and that 42 of those had been brought to Norway. Mr. Huuse said the Oslo police, who are overseeing the investigation into the fire, had a list of 176 people dead or missing and presumed dead.

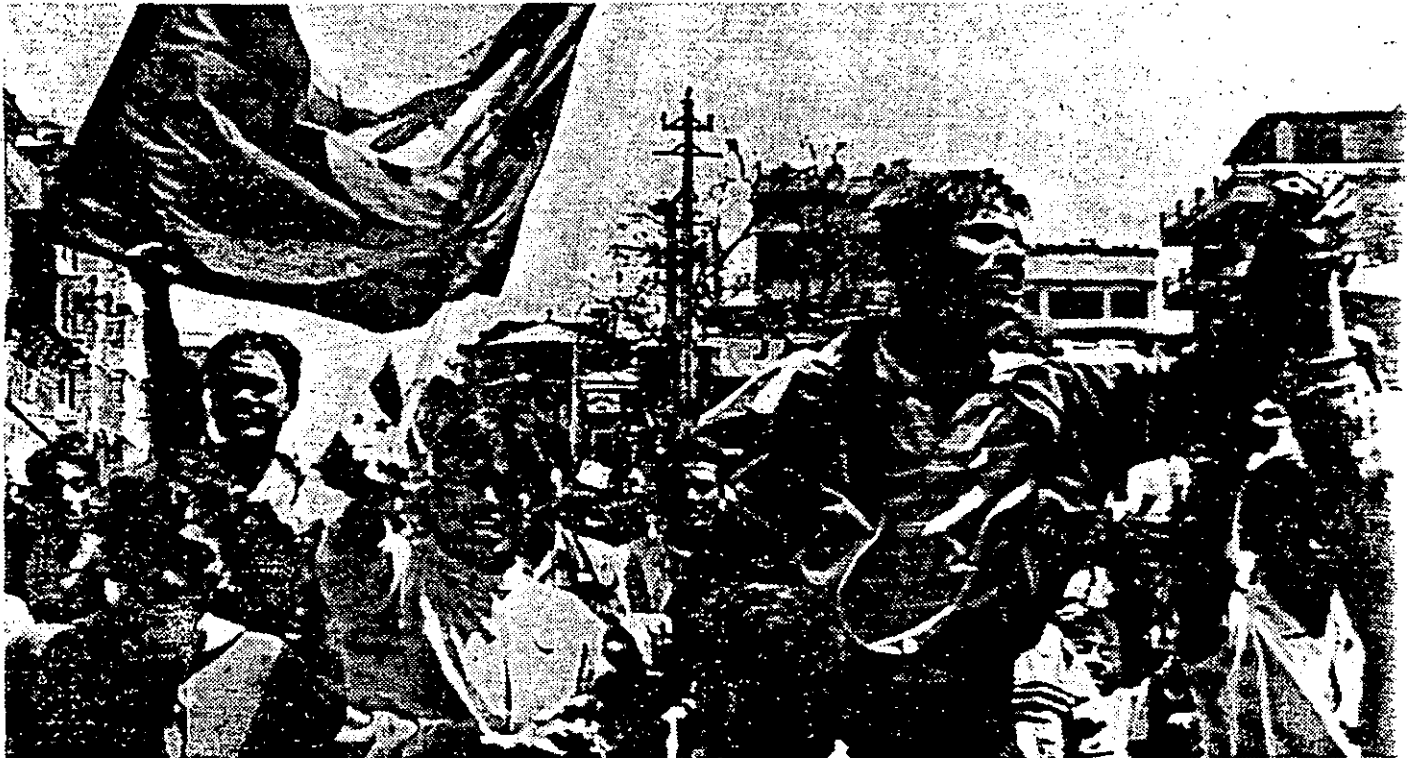
They listed 340 survivors but it was uncertain how many people had actually been aboard when the fire broke out. Mr. Huuse said an accurate count of victims would take several days.

The captain of the ferry said 395 passengers and 97 crewmen were on board, which would leave 147 people dead or missing and presumed dead. But The Associated Press quoted the Swedish police as having said that children under 7 were not included on passenger lists.

"I will not be surprised if the number of dead is more than 176," Mr. Huuse said. "We expect that all of the missing would be in the ship because we did not have anyone jumping in the sea or floating in the sea. The bodies that we have received will take some time to identify. It is hard work because some of them are extremely badly burned."

OVERSEAS NEWS

APR 10, 96



Overjoyed Nepalese greet the King's announcement of political reforms with shouts for freedom, and opposition Congress Party flag

Jubilant Nepalese celebrate victory

By K.K. Sharma in New Delhi

JUBILANT crowds danced in the streets of Kathmandu yesterday to celebrate a popular victory, the restoration of a multiparty political system in Nepal.

The announcement late on Sunday night by King Birendra that political parties would be legalised in the Himalayan kingdom after a 30-year ban follows the brutal slaying of scores of demonstrators by the army in the capital last Friday. Soldiers opened fire on unarmed protesters when they attempted to march on the King's palace.

The event was the bloody culmination of a series of nationwide demonstrations for democratic reforms since the middle of February.

On Sunday the King held day-long talks on constitutional and political issues with leaders of the movement, the first time he had consented to open a dialogue with Nepal's outlawed politicians.

In addition to deleting the word "partyless" from the constitution, King Birendra has agreed to the formation of an interim government and abrogation of the Act which outlawed political parties. A constitution-drafting committee is to work out the details.

Leaders of the reform movement welcome the King's announcement and agreed to end a two-month-old campaign of agitation that has plunged the kingdom into turmoil and cost more than 200 lives.

King Birendra's announcement will have far-reaching consequences since his absolute authority - or "the King's rule by peremptory command", as a pro-democracy leaders described the system in Nepal - seems likely to be sharply curtailed. The King is worshipped in Nepal as the reincarnation of the Hindu god Vishnu but, following his stubborn resistance to democratic reforms and repressive measures against leaders of the movement, the agitation was increasingly directed against him.

How far his own powers will be circumscribed will depend on detailed negotiations yet to take place between the King's representatives and reform

leaders. The latter would like to make the King a constitutional monarch who acts on the advice of a democratically elected government.

This is certain to be opposed by the coterie in the royal palace since the powers of members would be drastically reduced.

However, the King and his palace advisers, already challenged by an increasingly popular revolt, may have been seriously weakened by a decision last week to resort to force in the capital. Leaders of the movement for reform have demonstrated that people are behind them and they will not be satisfied until real power is given to political parties.

Storm clouds begin to thi

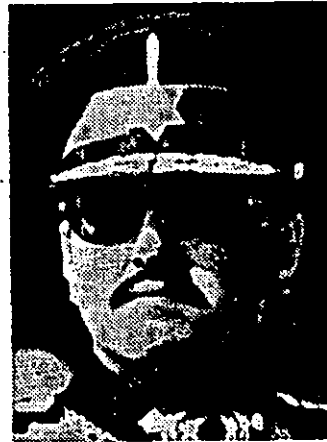
APR 09 9.10 Financial
King Birendra could be vulnerable if he continues

LEADERS OF the banned political parties in Nepal, now seeking democratic reforms and free elections to be contested under party labels, are convinced that King Birendra and his advisers have long been deliberately avoiding any change in the political structure of the small Himalayan kingdom.

Although the King is venerated as the reincarnation of the Hindu god Vishnu and has traditionally been above criticism in Nepal, the movement for reform has now reached a stage that it is directly aimed at him.

The attempt to storm the royal palace last Friday and the resulting clash between the army and thousands of demonstrators show that the King is highly vulnerable. If he continues to resist the popular movement for restoration of political parties, he could find the throne endangered.

Leaders of the banned politi-



King Birendra: Under pressure

cal parties feel the King is a virtual prisoner of a palace coterie. Its members are unknown but there is a widespread belief in Kathmandu that the coterie prevents the King from appreciating the significance of unpalatable facts and developments like the pro-

democracy movement in the kingdom.

This is the main reason why the illegal political parties at present simply want the ban on their organisations lifted rather than the king's abdication. Restoration of party politics and holding of free elections would, in effect, curb the powers of the group around the King and also limit his own to that of a constitutional monarch.

All political parties have, therefore, united to launch the present struggle for democratic reforms. Although the centrist Nepali Congress led by the ailing and ageing Mr Ganesh Man Singh is in the forefront of the movement, it is supported also by the powerful communist party and influential student organisations.

Together they have successfully mobilised wide popular support for the movement. Even many members of the national panchayat, the apex

Beaten Nepalese monarch

Time
to resist calls for democracy, writes K K Sharma

body of Nepal's system of "partyless grassroots democracy", have supported the demand for reforms and expressed their disillusionment with the existing system.

As a former prime minister of the country says, the aims of the movement's leaders are, first, to seek an end to authoritarian rule by the monarch and the clique around him and, second, replace this by a democratic system of party government.

Nothing less than outright withdrawal of the ban on political parties will satisfy the movement's leaders. They reject the controversial referendum of 1980, when 55 per cent of voters backed the present partyless system, just as they spurn the King's offer of talks. Both are seen as attempts to delay reforms and buy time.

The politicians now clearly have the upper hand. That the King and his advisers are on

the defensive is borne out by the fact that, despite their determination to resist the movement, they have authorised negotiations with the pro-democracy parties.

These have popular backing within Nepal, as well as the sympathy and support of many Indian political parties.

Nepal analysts point out that no movement for reform has ever been successful without at least tacit and moral support of the Indian authorities. They feel that the King's intransigence stiffened after Mr V P Singh, India's Prime Minister, described the developments in Nepal as "an internal affair" of the kingdom.

Mr Singh's statement came after recent talks on improving bilateral relations and on ending the impasse over the treaties of trade and transit. These lapsed more than a year ago and have caused considerable disruption of the economy of landlocked Nepal.

The new Indian government has given in to Nepal's demand for separate trade and transit agreements in return for recognition of India's security interests, notably Kathmandu's tilt towards China and arms purchases from that country. However, current developments in Nepal have delayed finalisation of a new Indo-Nepal treaty.

But many Indian politicians belonging to all parties, including the ruling Janata Dal and the main opposition Congress, have given open support to the pro-democracy leaders of Nepal. They have also criticised the official neutrality of the Indian government.

Nepal politicians have drawn strength from their Indian counterparts, as well as from liberation movements in East Europe and elsewhere. Having demonstrated they have popular backing, they have made it clear that if the King blocks the movement for reform, it could cost him his throne.

NEPAL'S KING LIFTS BAN ON POLITICKING

Yielding to Protests, He Says Parties Can Now Operate

4/9/90

By SANJOY HAZARIKA
Special to The New York Times

KATMANDU, Nepal, April 8 — Bowing to unrelenting pressure from a pro-democracy movement, King Birendra of Nepal announced tonight that he was lifting a 30-year ban on political activity, opening the possibility of multiparty rule in this Himalayan land.

The concession, which sent citizens racing jubilantly around the capital, came after a weekend of violence and political sparring. On Friday, the army and the police fired into unarmed crowds demanding democracy, killing at least 50 people, and similar violence was reported on Saturday.

Despite the initial enthusiasm for the King's move, it is clear that he retains major decision-making powers. Some critics advised caution, saying the real test will be whether King Birendra agrees to hand over power to elected lawmakers and accept a limited role as monarch under a new constitution.

Calling Off the Protests

Nonetheless, the move paves the way for talks between the leaders of the pro-democracy movement, led by the Nepalese Congress Party and by a seven-party coalition of leftists and Communists, and the King, who controls the Government ministries and who holds sway over the national assembly, known as the Panchayat.

Opposition leaders said they were calling off the pro-democracy protests for now because their basic demands had been met. The discussions will focus on a new constitutional framework for the country, perhaps a transi-

Continued on Page A4, Column 1

Nepal's King, Ceding, Lifts Ban on Political Parties

Continued From Page A1

tional government that would supervise free elections within a year.

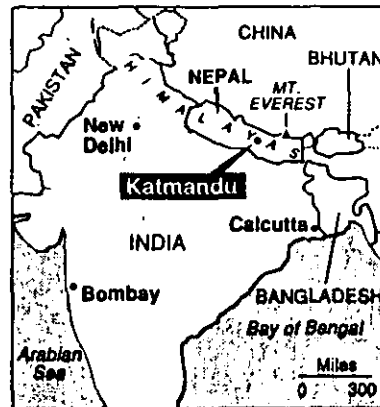
King Birendra has nearly absolute powers. His role in the future government, possibly as a constitutional head of state, like Queen Elizabeth of England, is likely to be a major point of contention.

Opposition campaigners say a new interim government might be assembled as early as this week. Such a government could include members of the existing Government led by Prime Minister Lokendra Bahadur Chand as well as Nepalese Congress Party members and Communists.

"This is a good beginning, but there is still a very long way to go for a multiparty democracy," said Kusum Shrestha, a human rights campaigner.

A Momentous Week

The King's decision was the climax of six days of accelerated political activity. The pro-democracy campaign, which began on Feb. 18, abruptly gained momentum last week in the Katmandu Valley when dozens were killed in clashes between demonstrators and the police and army troops. The Katmandu Valley is the political



The New York Times/April 9, 1990

Nepalese raced jubilantly around Katmandu as the crisis seemed resolved for now.

heart of this kingdom of 17 million, one of the world's poorest countries.

A curfew was still in place tonight in Katmandu, but residents were openly defying it. The restrictions are likely to be lifted early Monday, and opposition supporters are expected to converge on the capital to celebrate their victory.

Already tonight, there were scenes of glee throughout the capital. Shouting "It has come! It has come!" residents

Rebels Break Philippine Officer Out of Jail

MANILA, April 8 (AP) — Rebel Philippine soldiers stormed the city jail today during a birthday party for a warden and freed an officer accused of helping to lead an unsuccessful coup attempt in December.

In a statement, the Young Officers' Union, a group that was involved in the coup attempt, took responsibility for the raid that freed the officer, Lieut. Col. Billy Bibit.

Hours earlier, the armed forces Chief of Staff, Gen. Renato de Villa, had warned that rebel officers would try to free some of the 2,200 officers and enlisted men held in connection with the attempt to overthrow the Government of Corazon C. Aquino. More than 100 people were killed in the coup attempt, in which rebellious troops battled

forces loyal to Mrs. Aquino from Dec. 1 to Dec. 9.

Police Sgt. Florentino Bagallon said jailers had ordered beer from a restaurant for a birthday celebration for a deputy warden. When they opened the compound gate to accept the delivery, about 15 masked gunmen forced their way in, disarmed the guards and pried open Colonel Bibit's cell with a metal bar. They fled in two cars and a van.

Colonel Bibit was described as a member of the core group that planned and led the attempt to overthrow Mrs. Aquino's Government.

Others in the conspiracy are detained in military stockades, where there have been complaints about lax security. Among the prisoners are about 300 officers.

rushed into the streets, setting off fireworks, dancing and beating steel plates in celebration.

In a nationwide television broadcast late tonight, an announcer read a statement: "In view of the international situation and with a view to maintaining unity among the Nepalese people and with a view to meet the rising expectations of the people, the King has lifted the ban on political parties."

A Smiling Monarch

King Birendra, 46 years old, who succeeded his father, King Mahendra, in 1972, was shown smiling on the Government-controlled television with major opposition leaders, including two Communists. Prime Minister Chand, who assumed office on Friday morning, also appeared at the gathering with his three-member cabinet.

Leaders of the Nepalese Congress and Communist parties were interviewed on television, an unprecedented event in Nepal, where the opposition has rarely been acknowledged and criticism of the authorities until recently was only whispered.

H. B. Bhattarai, the president of the Nepalese Congress Party, said in an interview that the King should serve as a constitutional monarch. Others demanded a dissolution of the national assembly, which is made up of legislators elected without the participation of political parties.

The nonparty system has continued since 1960, when a brief yearlong experiment with democracy ended with King Mahendra's dismissal and imprisonment of former Prime Minister B. P. Koirala. King Mahendra abrogated the democratic Constitution, assumed nearly absolute powers and promulgated a new Constitution that banned political activity and forced many of his enemies into exile.

The Nepalese Congress Party sought to overthrow the monarchy by armed force in 1960 with the assistance of India but failed. A former aide of Mr. Koirala, Ganesh Man Singh, is a leader of the current democracy movement.

Mr. Singh, 76 years old, is a member of the Nepalese Congress Party. He was placed under house arrest with other leaders in February and moved to a hospital here, where he is being treated for a kidney ailment. He was officially released from detention on Saturday but remains in the hospital.

WORLD



The Associated Press

50 killed in Nepal violence

Thousands march in favor of democracy

Reuters

KATMANDU, Nepal — Troops fired on thousands of pro-democracy demonstrators advancing toward the royal palace in this ancient Himalayan capital yesterday, and doctors in major hospitals reported at least 50 killed and 200 wounded.

Other reports of the death toll ranged from one to 300.

State-run Nepal Radio said authorities imposed an indefinite curfew on Katmandu and the nearby town of Lalitpur.

The U.S. government issued an advisory to American citizens against traveling to Nepal, saying violent clashes there had resulted in hazardous conditions.

"Although the violence is not directed against foreigners, American citizens are advised to avoid travel to Nepal at the present time," said a State Department spokesman.

Witnesses reported seven dead in police gunfire in Butwal and three in Pokhara.

Angry mobs demanding an end to Nepal's non-party political system roamed the streets of Katmandu, which sits across an ancient trade and pilgrim route



The Associated Press

Pro-democracy demonstrators march through Katmandu, Nepal, yesterday. Police opened fire on the protesters.

about 120 miles west of Mount Everest, the world's tallest mountain.

Angry protesters called on all residents of the Katmandu Valley to switch off lights to protest the government's refusal to accede to demands for multiparty democracy in the world's only Hindu kingdom.

Earlier, King Birendra fired his prime minister and promised reform, but his address failed to assuage the crowds. Striking workers took to the streets demanding radical change.

Security forces at first made no attempt to stop demonstrations by tens of thousands of people in towns around Katmandu. But the army opened fire when thousands

advanced toward the palace.

Demonstrators were stopped about 200 yards from the palace where witnesses saw scores of people fall after being hit by bullets.

In towns throughout the Katmandu Valley, demonstrators chanted: "We want democracy."

The target of the unrest is an idiosyncratic system that critics say provides the monarchy with a feudal court of servile supporters.

Lawmakers are elected under the nation's non-party system. The system has drawn protest since Feb. 19, when leaders from several banned political parties launched a campaign for greater democracy. They have modeled the movement on the changes

sweeping Eastern Europe.

Under the system, members of local councils select from their number the members of regional councils, who pick even higher tiers of legislative panels, culminating in a Parliament. None of the representatives in any of the councils are permitted to identify themselves with any party.

The king is above the constitution and revered by many in the Himalayan kingdom's remote villages as a descendant of the Hindu god Vishnu.

The critics demand a restoration of the multiparty pluralism that last existed here in 1960.

■ This report includes material from The New York Times.

4/6/90

atic initiative since the military
own on dissent last June — is an
reement in principle to reduce troop
lengths along their common border.

Chinese and Soviet officials reached an
understanding on various related issues in
o rounds of talks — most recently in Pe-
ng during February. Analysts believe
reement has been reached on the num-
ers of troops allowed to remain along the
rder for routine defence purposes, how
back from the border such forces will be
mployed and a general timetable for im-
plementation of the accord. However,
inese military officials say it might take
e years or more before demilitarisation of
e borders is completed.

The Soviets say they have some 270,000
ops deployed specifically to deal with
y threat from China. These forces have at
eir disposal some 820 aircraft and 8,100
ks. In addition, a further 326,000 Soviet
ops are deployed in the Soviet Far East,
ough these are geared to deal with any
eat posed by Japan and its ally, the US.
r their part, the Chinese have 13 group
nies, with an estimated 650,000 frontline
ops and an unknown number of combat
raft and tanks along the Soviet border.

likely. Other items on Li's agenda include
Cambodia and the Soviet-US summit plan-
ned for late May in Washington.

Since Gorbachov's visit to Peking in
May last year — a trip marred by the huge
pro-democracy demonstrations — deci-
sions on various Soviet-initiated proposals,
including demilitarisation of the border,
were deferred as both countries focused on
crises at home or in their own backyards.

China met the challenge to its party's
authority with armed troops and tanks
while, in contrast, the Soviets chose to re-
linquish their grip on Eastern Europe and
institute sweeping political reforms at
home. Moscow's course fuelled nationalist
sentiments in various parts of the Soviet
Union, giving rise to concern in Peking
over the possible impact of these events on
China's own minority groups, some of
which seek more autonomy from Peking.

The two countries' diverging solutions
to their separate but related problems gen-
erated considerable ideological animosity
between Peking and Moscow, with the
Chinese in particular being highly critical —
though only in private — of the Soviet
course. Chinese criticism has focused on
what Peking hardliners view as Gor-



graced general secretary Zhao Ziyang with Gorbachov and wife Raisa in Peking in 1989.

addition, China has a large force of local
 militia which can be called upon in a crisis.

A demilitarisation agreement would not
ly mark the end of Sino-Soviet military
frontation but also pave the way for mi-
nity cooperation between the two. Soviet
ilitary officials visited Chinese military
ilities in February, the first direct military
ntacts in about three decades. Maj.-Gen.
ng Wenzhong, a senior Chinese officer
n charge of foreign military relations at
ina's Defence Ministry, visited Moscow
early April to pave the way for more mi-
ry exchanges, including academic con-
ts. These moves are expected to lead to
iprocal visits by defence ministers.

omic accords, including those deal-
n an increased investment and trade,
also on Li's agenda. Agreement on a 10-
r-long package of economic, technical
d scientific cooperation is expected and
ussions on the impact of changes in the
iet economy on bilateral trade ties are

bachov's "revisionist policies" at home and
in Eastern Europe.

However, with the initial euphoria over
political and economic reform in Eastern
Europe and the Soviet Union giving way to
the tough realities of transition, Peking is
feeling less threatened today. As a result,
the leadership is putting aside its ideologi-
cal concerns once again for the sake of im-
proved relations with Moscow. Part of the
reason for Peking's softer new approach is
the conviction that Gorbachov, despite his
perceived waywardness, is nevertheless
preferable to Soviet ideological hardliners
who might emerge should Gorbachov fall.

Peking's new initiative on improving re-
lations with Moscow contrasts sharply with
its stance towards the US. Indeed, Sino-US
relations are likely to become more strained
as the year progresses, especially consider-
ing the likelihood that the US Congress will
try to revoke China's most favoured nation
trading status in June. ■

NEPAL

In with the new

The end of the old order has begun in
earnest with the swearing in of an oppo-
sition politician as the country's new
prime minister on 18 April. K. P. Bhat-
tarai, the acting president of the Nepali
Congress party, will head a coalition
cabinet of 11 ministers, including only
two nominees of King Birendra.

After three decades of a partyless
government dominated by the
monarch, political change has come to
this Himalayan kingdom at breathtaking
speed. Popular agitations since mid-Feb-
ruary forced the king on 8 April to lift
the ban on political parties and a week
later he dissolved the national pan-
chayat or the old-style legislature, along
with several panchayat-related national
organisations, through which the king
had maintained political control.

The new cabinet has four representa-
tives from the centrist Nepali Congress,
three from the United Leftist Front
(ULF), two independents and two royal
nominees. The Nepali Congress and the
ULF had jointly spearheaded the two-
month-long opposition campaign for
democracy. The king assured Bhattarai
of his cooperation and said the royal
nominees would not impede the work
of the government.

Bhattarai said his government will
pave the way for a general election
within the next year. A constitutional
reform committee will be formed to
recommend amendments in line with
the multiparty democratic system. The
more urgent tasks of the government
will be to revive the country's economy
and repair relations with India. Bhat-
tarai, who was the parliamentary
speaker in 1959-60 during Nepal's earlier
brief period of democracy, said he
would write to Indian Prime Minister
V. P. Singh to reopen negotiations on
trade and transit problems.

The enthusiasm of political parties in
their new-found freedom is understand-
able, but observers are doubtful how the
king, who has ruled as the unquestion-
ed chief executive through the pan-
chayat, would adjust to demands of
democracy. Supporters of the en-
trenched panchayat system could also
resist the changes in government. How
well the Nepali Congress would cooper-
ate with the ULF is also a matter of con-
siderable uncertainty.

■ Kedar Man Singh

U/3/90

Nepalese Police Reported to Fire On Political Dissidents, Killing 5

KATMANDU, Nepal, April 2 (AP) — The police opened fire today on protesters demanding legalization of political parties in Nepal, killing at least 5 people and wounding 17, hospital workers and witnesses said.

Witnesses said officers charged and hurled tear gas, then began shooting after a crowd of about 4,000 refused to disperse. They said the shooting occurred near Tribhuvan University in Katmandu's southeastern outskirts.

The crowd had marched from neighboring Kirtipur and was proceeding toward Katmandu, the capital, the witnesses said.

Under standing regulations, the city police do not give information to reporters. Officials were not immediately available for comment.

'A Peaceful Demonstration'

"It was a peaceful demonstration and people were going to Katmandu to tell the world how authorities are harassing us," said a man who took part in the procession. He refused to give his name.

He said the demonstration was spontaneous and not called by either the Nepali Congress Party or a left-wing coalition. The two groups are leading the movement for restoration of a multiparty system in Nepal.

The police also fired on demonstrators in downtown Katmandu and in a residential neighborhood in the capital's northeast, other witnesses said, also speaking on condition they not be identified.

According to casualty figures from two city hospitals, 5 people were killed and 17 wounded in the three incidents. It was not immediately clear where the

deaths occurred, but earlier reports said three people died in the university incident.

The Government says at least 15 people have died since Sunday in clashes inspired by the democracy movement, which started with a public rally Feb. 18. Dissidents say the number of victims is double that.

The Government rejects the demand for a multiparty democracy, saying its proponents are trying to foist their system on a nation that already has a working democracy.

Nepal attempted a Western-style democracy in 1959 when the Nepali Congress Party was overwhelmingly voted to power and formed the country's first parliamentary government.

The experiment ended when King Mahendra, the father of the present monarch, Birendra, dismissed the Government in 1961. He accused it of corruption and banned political parties.

Quake Jars Central England

LONDON, April 2 (AP) — An earthquake shook a broad swath of England and Wales today, emptying buildings and sending hundreds of frightened people into the streets. There were no immediate reports of injuries or serious damage. The quake, which geologists said registered 5.2 on the Richter scale, was believed to have been centered west of Nottingham in central England. It was felt from the outskirts of London to south Wales, and north through Birmingham, Coventry and Manchester to the Scottish border, police stations around the country reported.

3/8/90

NEPAL 1

Political and economic woes haunt the regime

Troubled times

By James Clad in Kathmandu

The start of a new decade marks a watershed in Nepal, where domestic and external pressures are putting King Birendra's traditionalist Hindu monarchy under strain. Much hangs on the king's quick resolution of both the violent street agitations in the country and India's trade blockade.

The pro-democracy agitations led by the banned Nepali Congress party had been in the making for some time. But even before the agitations were launched last month, authorities arrested its leaders. As the demonstrations spread across the country, politicians were joined by students, lawyers, doctors and other professionals. Several newspapers critical of the government were closed down and reports of police brutality emerged, resulting in protests by human-rights groups and influential foreign politicians. Thus the government had to cope with domestic unrest as well as the problems with India.

These challenges come after 40 years of the royal family's restoration to power. This year also marks a four-decade span of treaties with India — peace and friendship, transit and trade — which most Nepalese regard as restrictive and paternalistic like the earlier pacts imposed on them by British India.

In the eyes of palace advisers these treaties confirm India's special status in Nepal. Under the friendship accord, the nationals of one country can reside and work in the other. It also obliges the two "not to employ any foreigners whose activities may be prejudicial to the security of another" — in other words, no Chinese. It requires Nepal to give first preference to Indians when developing the kingdom's natural resources.

Periodically, the Nepalese have tried to assert more independence, mainly by playing the China card. The present king's father went to Peking in 1961 where he settled his boundary with China and won Chinese help to build a road from Tibet to Kathmandu. The Chinese told him: "If any foreign forces attack Nepal, the Chinese people will stand on your side." Two weeks later, Chinese troops attacked Indian border positions. New Delhi has not forgotten the episode.

This long-term desire to move away from what the Nepalese see as Indian tutelage meshes with a current economic crisis. By a 1950 trade and transit treaty, redrafted in 1960 and split into two agreements in 1978, India allows landlocked Nepal a window to the world through southern trade transit points.

Last renewed in 1983, New Delhi decided to let both treaties lapse on 23 March last year, to force Birendra's government to reinstate various trade concessions. The economic crisis which followed has tested Nepal's fragile economy to the limit, helping also to heighten discontent in the rapidly urbanising kingdom with growing numbers of educated but unemployed young people.

India figures in Nepal's domestic politics in other ways. "India's active and significant role in the restoration of the monarchy," as Indian analyst S. D. Muni puts it, has resulted in New Delhi feeling a paternal sense for the kingdom's welfare. In 1950, a newly independent India helped evict the Ranas from power in Kathmandu; this group had formed a hereditary prime ministership to run the country for more than a century. India's forcefulness restored the current king's grandfather to power and ended Nepalese isolation from the rest of the world.

But when King Mahendra, the present king's father, dismissed an elected Nepali Congress government 10 years later and closed down the national assembly, India sided with the ousted politicians. These ageing oppositionists have held New Delhi's sympathies ever since even though, in Nepal's partyless panchayat system of indirectly elected assemblies, the Nepali Congress does not formally exist.

On 18 January, the Nepali Congress began a three-day conference in Kathmandu. Observers came from Britain, the US and India. Since then, and with a speed surprising the old leadership, a confrontationist momentum has gathered steam. The Nepali Congress now allies itself with most of Nepal's splintered communists.

Although a spate of bombings occurred in 1985, the present movement poses the most serious challenge yet to the post-1960 order. At present only a tiny minority demands the monarchy's aboli-

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On other pages

Friends in high places: **24**. GDP set to slump in wake of transit dispute: **25**.

ion. Yet the current opposition demands for free, multiparty elections strike a responsive chord, in and outside Nepal.

On 20 February, the US State Department criticised "the use of violence in putting down protests," and urged the Nepalese "to avoid excess force in maintaining order." It reminded Nepal of US support "for human rights and for freedom of expression."

In a week of violent demonstrations which have spread to smaller towns since 18 February, at least 10 people have been killed and several hundred arrested. Police stations have been attacked, buses stoned and business shutdowns enforced in defiance of government orders.

The government says the panchayat system, created in 1963, allows full participation at village, town, district and national levels. The system's defenders say enough politicking occurs within the panchayats. Yet each panchayat is only indirectly elected by the tier beneath it, and the system thus falls short of normal participatory criteria. In truth, the panchayats mask a system of control in which the powerful palace secretariat runs a type of parallel administration alongside the formal ministerial government.

Meanwhile, Indian Prime Minister V. P. Singh's new government, beset by more pressing domestic problems, seems willing to back away from a rupture with Nepal. The king may therefore be able to solve his external problems sooner than his domestic ones, assuming that New Delhi does not have second thoughts. Singh had promised to normalise ties with Nepal during the campaign for the Indian general election last November. The king knows many key ministers in the new Indian Government. On 22 February, wide-ranging talks between the two sides concluded on an optimistic note.

Yet beyond the immediate issues, what longer terms problems confront Nepal? Try as it might, Nepal cannot escape the Indian embrace. As the hill economy becomes increasingly precarious and the Terai lowland adjacent to India is exploited, the dependence on India could increase. Beyond that, the dynamic of modernisation is at work, fuelling consumer and employment hopes of an educated but often underemployed urban generation now demanding political change. This new temperament grafts itself uneasily on a hierarchic caste system and an authoritative monarchic rule.

But if expectations are changing, the economic basis of the country seems fated for further dependency, if not upon In-



Congress leaders under arrest in Kathmandu.

dia then upon the seductive charms of tourism. Nepal has targeted 1 million tourist arrivals for the 1990s, in contrast to 1.5 million visitors to all of India. And already there is an outcry against the ugly social and environmental fallout of large-scale tourism.

Scarcity of available raw materials and infrastructure also limit industrialisation. Most of the capital, outside the tourist industry, comes from Indians who also manage businesses in the eastern Terai region. The government wants to promote high-value exports, especially out of the new export processing zone near Kathmandu air-

port. The country's best long-term hope is to revive long-standing plans to harness the vast potential of Koshi and Gandak rivers for power generation. But here too, the only customer for electricity is India.

Trained manpower poses another problem. Nepal's students still appear bound by old-style prestige in their choice of education. A 1987 survey of tertiary education showed that 3,941 students were studying law, while another 15,291 were opting for degrees in humanities and social sciences. Only 364 students were enrolled for forestry courses and no post-graduate degrees in forestry had been awarded in the country, a sorry indictment in a country where deforestation is a critical problem.

But all these seem remote issues by comparison to today's heady mix of pro-democracy agitation and nationalism of an older pedigree. On India's policies towards Nepal in the 1950s, Muni wrote: "The high-handed behaviour of some Indians in Nepal, as also some lapses in the conduct of India's policy, had ruffled so many feelings in the kingdom . . . that Nepali nationalism became equated with anti-Indianism." Beneath the surface turbulence, and despite the passage of 40 years, the same phenomenon is still at work today. ■

NEPAL 2

Kathmandu's options limited by its big neighbours

Pawn in the game

Two centuries ago a Nepalese king said his country sat between China and India like a "yam between two rocks." Since March last year, a new abrasion with one of these boulders has worn down Nepal's economy and exacerbated domestic political tension.

India's quasi-blockade of Nepal results from closure of all but two transit points along its 885-km border with Nepal. The move followed a breakdown in talks during 1988 to extend and modify two crucial treaties, one giving Nepalese goods preferential access to India and another guaranteeing Nepal's transit rights to third countries.

India's action, while strictly justified as a sovereign measure, has brought added hardship to a people who, even in the best of times, lead spartan lives. Eleventh on a UN list of 15 impoverished landlocked

countries, Nepal's per capita GDP hovers at US\$160 a year, on par with Ethiopia or Bangladesh.

About 93% its 18.5 million people toil on 2.2 million smallholdings which, according to the last agricultural census, averaged just over a hectare. The country has the lowest fertiliser usage of any South Asian nation. Alpine erosion is becoming horrific as the population, now growing at 2.7% a year, spurts towards 25 million by the beginning of the new century.

This picture makes a stark contrast to the idyllic, tourist notions of a Shangri La, with its towering Himalayan peaks. It is also "misleading," says one foreign specialist, "to envisage [Nepal] as an isolated and archaic pre-capitalist economy." The country depends heavily on tourism earnings, on agrarian exports to India and on remittances from as many as 4 million

Nepalese working in India, including Gurkha soldiers in the Indian army.

Nepal has 16 trade agreements with other countries but just two transit agreements, with Bangladesh and India. Indian diplomats say theirs is "probably the best transit arrangement in the world" and, on paper, they are probably right. Products with an 80% Nepalese local content enter India duty-free.

But this degree of dependency rankles. Even before the trade and transit impasse, the Nepalese had experienced periodic frustrations with India. India helped usher in the return of the present monarchy in 1950. A treaty dating from that year promises equal treatment by both to each other's nationals.

Rows over transit have erupted in the past; in 1971 the Indians held back fuel supplies. Nepal became more uneasy as India's military spending soared in the 1980s. They have always feared "Sikkimisation," a reference to India's incorporation of that small Himalayan kingdom in the early 1970s. New Delhi's intervention in Sri Lanka and the Maldives in recent years has been watched uneasily.

Each side offers complicated explanations for the events leading to the most recent rupture in relations. The Indians place much store in a point-by-point dissection of the negotiations. This legalistic approach contrasts sharply to the Nepalese, who put the dispute in a wider context.

The Indian argument has been too easily dismissed in the international press; there seems little doubt that Nepal played a version of brinkmanship during 1988, revoking existing concessions to Indian products and promising, without result, to reinstate them just when they were

lowering tariff barriers to the Chinese.

New Delhi's leaders felt it was time to rein in the Nepalese, whose manoeuvring for more equidistance between the two "rocks" was becoming intolerable. New Delhi was particularly displeased by Nepal's unannounced purchase three years ago of four batteries of Chinese anti-aircraft guns. The unannounced purchase came into Nepal down the single, badly maintained road linking Kathmandu to Tibet.

Although the current quarrel has its antecedents, the crisis beginning in March

Chinese. And the fundamentals of geography will not change; Nepal remains 'India-locked.' Pilferage on Indian railways lifts Nepalese export costs. The transit between the port of Calcutta and the Nepalese border takes six weeks. One 1983 survey showed transit costs consuming 8% of Nepal's GDP.

The dispute has shown Nepal the weakness of its "China card," despite Foreign Minister Shailendra Kumar Upadhyaya's statement last May that Nepal would "open its windows to the north." Chinese

Prime Minister Li Peng's visit last October brought little tangible gain; fundamentally the Chinese do not want, at a time of diplomatic isolation, to jeopardise their recently improving ties with India. However, Li did promise to help with preliminary feasibility studies for a second road to Tibet and an oil pipeline.

In riposte to India's anxieties about a second road to Tibet, Upadhyaya quoted to the REVIEW a favourite line from King Birendra: "Communism doesn't travel by taxi." Upadhyaya also said he sees a middle-way equal treatment of nationals resulting in relaxing restrictions on employment of Indians but maintaining rules inhibiting Indian settlement.

Upadhyaya hopes India will quietly reopen three or four points along the frontier. He wants India to complete a road and a key bridge in the western part of Nepal's lowland area, known as the Terai. A row blew up in 1987 when the financiers of the road, the World Bank and a Saudi development fund, chose Chinese contractors. New Delhi stepped in, offered to do the job on a grant basis, and is now a year behind schedule. Even in the best of times the rock will still chafe the yam. ■ James Clad



King Birendra and Li play cards.

1989 has no past parallel. The Indians behaved amicably at official talks in New Delhi from 20-22 February, though foreign secretary S. K. Singh gently warned the Nepalese delegation to refrain from further "tricks and hypocrisy" in future dealings.

Whatever the form and pace of normalisation, it marks just one more move in a chess game of Himalayan stakes, a game the Indians have played as much as the British Raj before them vis-a-vis the

Friends in high places

In popular Indian newspapers, the road from Kathmandu to Tibet looms like a superhighway. Even sober reports sometimes suggest that the Chinese, at any time, could flood down this north-south route into the Subcontinent.

A journey on the 1960s era Chinese "friendship highway" up to China's border quickly dispels this notion, however. Only desultory traffic moves along the eroding, unsealed track which twists through treeless hills in constant peril of sudden landslides or washouts. If this route ever becomes Nepal's principal lifeline, it will wear out in a few days.

In any practical sense Nepal's "China card" looks unplayable. Shanghai lies 5,500 km from here while India's closest port, Calcutta, is just 900 km away, mostly over flat land. China's nearest railhead to Nepal remains 1,500 km away; by

contrast, India's railway transshipment point at Birganj sits rights on the border.

Against Nepal's business, religious, trading and cultural links with India, such arrangements as grazing agreements for Tibetan livestock seem insignificant. Sino-Nepal trade agreements, signed in 1966, have brought little trade expansion. In a topographical, social, trading and linguistic sense, Nepal's back remains turned against China.

If China and India stood alone in Nepal's calculations the outcome would be obvious. Yet Kathmandu has other cards in its hand: it gains resources and diplomatic leverage from a surprisingly strong constituency of rich, faraway countries with no direct stake in Nepal and every reason to curry New Delhi's favour.

This sympathy results from various sentiments which the Nepalese are quick to exploit. Some of it comes from distaste at an apparent, David-and-Goliath mismatch. Instinctive good will also surfaces in Europe and the US for this much-visited, much-treked Himalayan kingdom.

GDP set to slump in wake of transit dispute

Gasping for breath

Two years ago Nepal's King Birendra promised the Nepalese people "an Asian standard of fulfilment of basic needs" by the year 2000. That goal has receded still further after a year of quasi-blockade by India.

Before the crisis Nepal's GDP was growing at 5.7% annually. But a recent World Bank circular to aid donors said that, in the absence of a settlement of the trade-transit impasse, GDP may contract by 2% in the financial year ending 15 July 1990.

"In an intimate economic relationship such as we have with India, the border closure measures have been a great shock," Finance Minister Bharat Bahadur Pradhan told the REVIEW. Nepal has had a "very hard time adjusting," he said. "It [the crisis] has had a devastating effect."

Annual retail inflation in the Kathmandu valley has risen to 25% and to over 15% in smaller towns. Rather than a once-off inflationary kick, the border closures and cessation of Indian fuel deliveries have resulted in a type of compounded, continuing inflation.

Within three months of the crisis, foreign exchange reserves dropped from six-and-a-half months' import cover to under four months. Since the crisis began tourism by Indian nationals has fallen by over a quarter. Reduced export earnings have weakened public finances, especially state enterprises. The crisis has put new pressure on a none-too-strong banking system and has caused considerable investment uncertainty, with most projects "on hold."

Nepal's poverty also gains it extra sympathy, as does its crisis with eroding hillsides and deforestation. (The Nepalese cleverly claim that New Delhi's refusal to sell Indian petroleum products has hastened alpine deforestation as villagers need to cut down more trees for cooking fuel.)

The line up of developed world opinion in favour of Nepal may provide, therefore, the clearest example yet of a "tourist constituency" influencing a Third World dispute. That is, past visitors to Nepal often take an close interest in how helpful their home country is being to Nepal.

Western (and Japanese) diplomats in Kathmandu concur that Nepal has enjoyed a good press in the current dispute, tempered only by unhappy reports about the monarchy's negligent attitude to human rights (REVIEW, 21 Sept. '89). There is even a small but active pro-Nepal constituency in Washington.

Several US congressmen earlier served as American peace corps volunteers in the country. Richard Durbin is a prominent example. In December the US House of Representatives Asian Affairs Subcommittee chairman Steven Solarz visited

The Nepalese business community does not believe that the government will abandon, for the sake of national independence, its pre-existing preferential trade arrangements with India. Investors expect a return to something like the status quo ante; until then they are holding back from new commitments, especially with domestic politics on the boil as well.

For all that Nepal has managed to avoid widespread closure of industries. Foreign advisers say far less distress lending and capital flight occurred than had first been feared after India allowed the trade and transit agreements to lapse on 23 March 1989. Offsetting these reversals, Nepal experienced an 18% increase in the number of non-Indian tourist arrivals. The weather has also been kind to agriculture.

Although informal agricultural and cheap consumer goods trade continues at the Indian frontier, Nepal's overall trade dependency on India has slipped since the crisis, to below 50%. (It stood at about 90% in the 1950s.)

Still, many small exporters have suffered badly. Exports of forest, herbal and grass products to India have plummeted, while rice exports reaching half a million tonnes before the crisis have dropped to an annualised 60,000 tonnes. The US has become Nepal's largest export destination, receiving well over 40% by value of exports, followed by the EC. Cotton garments, woollen carpets and hides and skins comprise the most important exports.

The border closures have not worked

solely to Nepal's disadvantage. India has lost its contracts to supply petroleum to Nepal. In New Delhi, Nepalese negotiators told Indian officials on 21 February that the country's petroleum imports have dropped from 300,000 to 200,000 tonnes to the year ending March 1990. Nepal sources its reduced uptake from Singapore refineries. Sales of Indian coal have also suffered.

Thapa says he is "surprised at Nepal's resilience." Remittances from India mean "we are in surplus in our invisibles," says Thapa. "Unfortunately our merchandise account remains in chronic deficit, something of the nature of one to four."

The capital account figures show some Nepalese Rs 1 billion (US\$41.7 million) a year in remittances from India. Remittances from the estimated 37,000 Gurkha soldiers in the Indian Army now exceed, by 10 times, the monies sent home by British Army Gurkhas.

In the middle of its crisis Nepal continues to comply with a structural adjustment loan (SAL) programme agreed with the IMF and World Bank. The SAL was broken into three tranches after March 1989; the bank approved the second tranche on 29 June last year and is finalising a loan aimed at easing petroleum purchases. During the crisis the government has managed to reduce deficit as a percentage of GDP, notwithstanding the drop in revenues. Operational spending is being tightly reined in. Yet the bank is concerned most of all with Nepal's implementation of a medium-term financial sector reform plan.

A more delicate problem is the influence of various royal cronies in the economy. Student demonstrators claim that some members of the royal family have profited from the trade crisis by taking monopoly control of import licences. Royal friends still exert a strong hold over some public enterprises. Royal relations are also prominent in the still-booming tourism business. This

Kathmandu where he met both the king and opposition politicians before going on to New Delhi (where he is regarded as pro-Indian) to caution against turning the screws any further.

Whatever motivations spur this constituency, an analysis of Nepal's economy shows clearly that foreign aid donors have helped Nepal withstand India's partial blockade. Aid provided about half the budget and 70% of development spending. And third-country diplomacy, such as an unpublicised demarche to India by the European Community in June last year, has tempered New Delhi's zeal to bring its errant neighbour to heel.

During the past 12 months India has found itself angered by, and quite unable to respond effectively to, Nepal's high-profile lobbying. New Delhi traditionally takes a dim view of South Asian neighbours trying to "internationalise" their bilateral disputes with India; Nepal has done so with an irritating, and brazen, frequency. Adding insult to injury, New Delhi suffers a bad press because the dispute, justifiably or not, adds credence to the "regional bully" tag.

■ James Clad

may explain why tourist buses have been stoned in recent disturbances.

If Nepal's pre-existing trading arrangements with India can be regained, what are the medium-term prospects? "There is," Thapa says, "no equivalent in all the world to the Nepalese economy."

Most commercial activity is controlled by Indians. Even the "Nepalese" rug trade belongs to immigrant Tibetans. Earlier "indigenisation" policies have tried to force Indians to take Nepalese citizenship or get out of trade altogether, with mixed success.

Nepal's skill base is pitifully narrow. Nepal's industries are small, mostly employing under a thousand workers. The old skills are going as imports obliterate old trades. Indian-made, mass consumer goods have wiped out indigenous craftsmen, such as metal utensil and pot-makers, tailors and leather workers. "This net 'de-skilling' of Nepal may well have gone so far as to leave even a residual, tourist-oriented handicraft industry beyond local talents," says Peter Slaike, a British economist.

Even with resumed markets in India, eroding hillsides are reducing the hill areas' ability to supply agricultural products. Nepalese forest management is lamentable in contrast to India's or Bhutan's.

Although roads totalling 5,270 km now reach isolated areas, this country of 174,181 km² will remain economically fragmented for many years to come. "The gulf between the Kathmandu valley and the subsistence economies of the hill areas [resembles] the gulf between developed and the underdeveloped countries," say Nepalese economists P. S. Rana and K. P. Malla.

The greatest potential lies in hydroelectric development of Nepal's 6,000 rivers, which could provide an extraordinary 83,000 MW. Only 0.64% of that potential is now harnessed. Foreign consultants say 25,000 MW are easily exploitable if and when India and Nepal reach some agreement on pricing.

Indian Energy Minister Arif Khan tells the Nepalese that he wants to proceed with long-delayed plans to dam the Karnali River. Kathmandu has heard this all before: pricing plans for Karnali power have been stuck in the Indian bureaucracy for over a decade. Still, India is increasingly hobbled by its shortage of electricity while Nepal's remaining forest cover will vanish unless alternatives to forest fuel (which still supplies 92% of fuel needs) can be found.

In the foreseeable future, however, Nepal remains hostage to India's inward-looking manufacturing policies. New Delhi views foreign investment in Nepal with suspicion, fearful that Nepal will become a back door for multinationals to India's domestic economy. ■ James Clad

PHILIPPINES

Civilians are caught between rebels and government

Double trouble

By Margot Cohen in La Paz and Cebu City

For more than two years, 25 men from small, war-torn villages in Leyte province have waited in prison while a court decides whether they are communist rebels or civilian victims of anti-communist vigilantes. Their case is one of symbolic importance in the Philippines, where the debate over human rights has grown acrimonious.

Military and police authorities use the Leyte detainees to advance their theory that such alleged victims of abuse are often communists in disguise — a view based partly on the refusal of local human-rights groups to probe alleged rebel atrocities. For their part, the groups paint the detainees as martyrs whose double victimisation, at the hands of the vigilantes and also the state, proves that human rights are even less respected under President Corazon Aquino than during the dictatorship of the late president Ferdinand Marcos.

The detainees stand charged with rebellion, which carries a maximum penalty of 12 years' imprisonment. In November 1989, after analysing prosecution evidence, Amnesty International, the London-based human-rights group, cited the detainees as "prisoners of conscience," held for the non-violent expression of their beliefs. The citation was a rebuke to Aquino, who began her term as president in 1986 with the symbolic release of all political prisoners.

But for residents of La Paz, Leyte province — from where most of the detainees come — the prisoners' identities are far from clear-cut. They recall a few of the detainees as being rebels, a few as rebel sympathisers, some as "legal Left" activists committed to peaceful change and others simply as civilians seeking justice for loved ones caught up in the struggle.

The Leyte case illustrates how blurred such distinctions have become in a country traumatised by the insurgency and counter-insurgency. Impartial investigation of human-rights violations has been lost in the bickering over which side has committed more of them. And as both the Right and Left exploit the human-rights issue for poli-

tical gain, many lives are being caught in the middle.

The story of the 25 detainees began unfolding in 1986, after the communist New People's Army (NPA) had infiltrated much of northeastern Leyte, including the municipalities and outlying districts of La Paz and MacArthur.

La Paz Mayor Constantino Vivero says 44 school teachers in his area abandoned their posts for fear of the rebels. The military could not enter places such as Luneta district, close to the mountains and 9 km from La Paz proper. District officials and other residents mysteriously disappeared — some were found dead, some never found at all. Small landowners and others fed up with the NPA's weekly collection of money and rice comprised an initial wave of evacuees.

In 1987, anti-communist civilian groups began gaining the upper hand. In one district, relatives of several alleged NPA victims sought revenge by copying Alsa Masa, a widely publicised Davao vigilante group. Their efforts were bolstered by La Paz police chief Angelo Marcos, who began organising his own anti-communist team after his son, a member of the paramilitary Civilian Home Defence Force, was gunned down in March in the town market.

By most accounts, the Alsa Masa and its brother organisation, Puerza Masa, set up checkpoints and extorted money from villagers and strictly limited their food purchases to prevent them from slipping excess supplies to the rebels. Sources in La Paz and in the provincial capital of Tacloban say these groups also threatened and killed people they believed to be rebels or sympathisers. High on their suspect list were members

of sectoral grassroots organisations and those connected with Partido ng Bayan, a legal political party branded as a communist front by military officials nationwide.

When the Partido ng Bayan drew strong support in the May 1987 congressional elections, the anti-communist crackdown intensified and a second wave of people abandoned their homes. "Some of them were evacuees and some of them were really communists,"



Abuya: no evidence.