



THE KATHMANDU POST

NEPAL'S LARGEST SELLING ENGLISH DAILY

He lives among the dead, but he is not Dr. Frankenstein Pg9

Umar Gul sinks Australia in Dubai Twenty20 Pg11



NEWSLINE

Indian envoy meets PM

KATHMANDU: Indian Ambassador Rakesh Sood met Prime Minister Pushpa Kamal Dahal at his residence and discussed formation of the new government based on consensus. According to a Maoist leader, Dahal stayed firm on his party's stance on rectifying President Ram Baran Yadav's 'unconstitutional' step of reinstating the Chief of Army Staff before moving on to the formation of a national government. Sood declined to comment after the meeting. This is the first time Sood has met Dahal after the latter's resignation on Monday and the seventh time in two weeks since the CoAS controversy began.

WEATHER

	High	Low
Kathmandu	34°	13°
Delhi	39°	27°
Bangkok	35°	27°
Singapore	32°	24°
Hong Kong	27°	22°

Kathmandu Sunrise 05:19
Sunset 18:41

MARKET

	UNIT	BUYING	SELLING
GOLD			
Kathmandu Hallmark	(per 10 gms)	Rs 23,750.00	Rs 23,750.00
Worked	(per 10 gms)	Rs 23,570.00	Rs 23,570.00
SILVER			
(per 10 gms)		Rs 366.00	Rs 366.00
NEPSE INDEX		654.05	

FOREX

CURRENCY	UNIT	BUYING	SELLING
Indian Rs (INR)	100	160.00	160.15
US Dollar (\$)	1	78.60	79.20
Euro (€)	1	105.49	106.29
Pound Sterling (£)	1	118.30	119.20
Japanese Yen (¥)	10	7.92	7.98

Exchange rates fixed by Nepal Rastra Bank



Pakistani men from Buner line up to register for food handouts in northwest Pakistan on Friday. Thousands of residents are fleeing fighting in the Swat Valley and Buner after a new offensive by the Pakistani army against Taliban militants in the area.

BJP: Nepal policy a failure

DINESH WAGLE
NEW DELHI, MAY 8

The opposition Bharatiya Janata Party (BJP) has come down heavily on the Congress-led ruling United Progressive Alliance for its Nepal policy "failure". BJP's prime ministerial candidate Lal Krishna Advani said on Thursday that India's 'neighbours are the victims of wrong policies of the UPA government.' Addressing an election rally in Chennai, Advani said, "Congress had outsourced the issue to the Left, and told them to handle it. It is because of this handling of the Nepal problem that Maoist hand is on top in the country. There is chaos and anarchy there. All this is due to the wrong foreign policy of the UPA Government."

That the BJP has no affection for the Maoists is no secret, but this is perhaps the first time Indian parties are openly debat-

ing the Nepal issue and attacking each other publicly. The Congress termed Advani's statement "most unfortunate" and a politicization of foreign policy.

"In a matter of external affairs, normally, we decide in the best interests of our country and we don't always differ," said Veerappa Moily, chief spokesperson of the Congress. "No one politicizes foreign policy but [BJP] are doing and [Advani's comments] are most unfortunate."

Senior BJP leader and former foreign minister Yashwant Sinha explained Advani's "outsourcing" allegation. "We have great suspicion that under the influence of the Communist Party of India (Marxist), the UPA encouraged the Maoists in Nepal in order to save their own government [which was until a few months ago supported by the left parties]. Otherwise Sitaram

Yechury, [leader of CPI-M], wouldn't have been such a big player in Nepal. CPI-M is closer to Maoists."

Sinha, who expressed happiness over the fall of the Maoist government, added: "We believe democracy may not flourish in Nepal under Maoist leadership. They are only using democracy to capture state power. We also have serious doubts about their friendship towards India."

Yechury refuted Sinha's allegation and said it was BJP who wanted to intervene in Nepal's internal affairs.

"Whatever is happening in Nepal is its internal problem and we have faith Nepali parties will find the solution," Yechury told the Post over phone from southern India where he is campaigning. "By what Sinha has said it is clear [that if the BJP comes to power] Nepali peace process will suffer."

How Maoist-Delhi relations soured

AKHILESH UPADHYAY
KATHMANDU, MAY 8

The turn of events that first led to the sacking and reinstatement of Chief of Army Staff Rookmangud Katawal exposed that relations between New Delhi and the Maoists once on the mend after their surprise election victory last April have now hit a low.

The writing on the wall was loud and clear: New Delhi and the Maoists had failed to see eye to eye on a number of key issues and had failed to manage their relations. It is a complex web of misunderstanding and mismanagement of crucial relations neither can afford to ignore, not least when the peace process stands at a fragile crossroads.

It wasn't always that way. In 2005, New Delhi facilitated the signing of the

12-point peace agreement between the Maoists and the Seven Party Alliance, a move that ended a three-way polarization in Nepali politics -- between autocratic King Gyanendra, underground Maoists and the mainstream parties -- and a protracted conflict.

For that, New Delhi had revised its two-pillar policy of supporting both the monarchy and the mainstream political parties and made a brave move towards giving the Maoists legitimacy. Active in helping the process were a number of Indian political leaders, but there were also two key bureaucrats involved -- P. K. Hormese Tharakan, who headed the Indian intelligence RAW, and then-Foreign Secretary Shyam Saran. Both had been stationed in Kathmandu at some point in their

careers and had a pretty sound understanding of the ground reality in Nepal. Many say the duo was instrumental in convincing a reluctant Prime Minister's Office in New Delhi to legitimize the Maoists through the 12-point Comprehensive Peace Agreement.

analysis

"Both Hormese and Shyam Saran are no longer involved. They had a strong sense of ownership in the peace process," says a key interlocutor. Though Indian bureaucracy is a lot more sophisticated than the Nepali, informed sources say that the absence of these architects of the peace deal has left a void.

New Delhi, or at least a certain sec-

tion therein, also felt that the Maoists had done a quick flip after they got what they wanted: the Constituent Assembly, end of monarchy, republican rule; they were even in government. "Delhi looked less important now. It felt there had been a deviation in the Maoist commitment to democracy and to work with other political parties -- the bedrock of the 12-point agreement. A serious trust-deficit began to emerge between the two," says the interlocutor. According to this theory, Delhi felt that the cost of maintaining relations with Maoists was huge and they had to be given a message: either you mend your ways or we will make you leave the government.

Another major deviation in Delhi's perception was that Maoists were mak-

ing a strategic foreign policy shift. A number of senior Maoist leaders have made frequent visits to China in the last one year or so and Beijing too has sent a number of high level delegations to Nepal, including that of seniormost military and foreign ministry officials. In a news report on Thursday, The Times of India notes that the Indian Army is "worried about the deft Chinese strategic inroads into Nepal and possible 'Maoisation' of the Himalayan country's small but relatively professional army ("China inroads into Nepal Army gives India the jitters," May 7). The recent talk of a new peace and friendship treaty with China, according to this theory, would give Nepal-China relations a strategic footing.

UNMIN concerned over videotape

POST REPORT
KATHMANDU, MAY 8

United Nations Mission in Nepal (UNMIN) Chief Karen Landgren met caretaker Prime Minister Pushpa Kamal Dahal twice on Friday and expressed the UN's concern over the videotape where he says that Maoists had only 7,000 to 8,000 combatants.

UNMIN Spokesperson Kosmos Biswakarma said the meeting with Dahal in the morning was routine after she returned to Kathmandu on Thursday after attending the Security Council meeting that discussed Nepal's peace process.

Since they could not talk about the videotape in detail in the mor-

ning because of the prime minister's engagements, he called her again to talk in the evening because she was "deeply concerned" about it, he said.

"The videotape that came out one and a half year later is a conspiracy to twist the whole political situation and derail the peace process," a leader, who attended the morning meeting, quoted Dahal as saying to Landgren.

The Maoists are committed to taking the peace process to its logical conclusion, Dahal added.

On May 5, Landgren had warned the Security Council that the crisis sparked by the prime minister's resignation threatens

the gains made so far in the peace process and had urged all parties in Nepal to work towards rebuilding trust and achieving consensus.

The prime minister assured Landgren in the morning that the ongoing political crisis would not obstruct the peace process and the constitution would be prepared within the deadline, according to Maoist sources.

In the evening meeting, Landgren said the international community's confidence in the peace process would have increased if the roughly 3,000 'minors' living in the cantonments and disqualified as Maoist comba-

tants had been allowed to leave the camps.

Dahal also said a decision on the extension of UNMIN's term in Nepal, which ends on July 23 would be made on the basis of consensus, a Maoist source said.

Meanwhile, Acting President of Nepali Congress Sushil Koirala on Friday demanded re-verification of Maoist combatants. "I don't want to blame the UN but it should not send irresponsible representatives," he said at Reporters' Club Nepal.

Koirala also urged all political parties to take the issue seriously and demand re-verification of combatants.



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With winter drought, food deficit looms

MANESH SHRESTHA
KATHMANDU, MAY 8

The government on Friday said there will be deficit of food grain production this fiscal year after a slight surplus last year.

"The main reason behind the deficit is lowered production of winter crops -- wheat and barley -- because of prolonged drought during winter months," said Hari Dahal, spokesman of the Ministry of Agriculture and Cooperatives.

There will be a deficit of 132,916 metric tonnes compared to the slight surplus of 22,367 metric tonnes last year, he said.

Wheat production is expected to go down by 14.5 percent compared to last year. That is, from 1.573 million metric tonnes to 1.343 million metric tonnes. Similarly, barley production will go down by 17 percent.

However, production of paddy, maize and millet has gone up by .56 percent, 5.2 percent and 2.8 percent respectively, according to data provided by the ministry.

Asked how the country will face the situ-



ation, he said food may have to be imported, but not necessarily, since people also eat tubers and potatoes as staple diet in the mountain region.

Since decline in production is not consistent across different regions, the efficiency of distribution will be crucial, he said.

According to the ministry, some mountain districts will see 40 percent decline in production of wheat this year and some as much as 50 percent. In the hill districts, production is expected to go down by 20 to 30 percent and in the Tarai by only nine percent because irrigation is available.

Although there was a surplus in production last year, Nepal had to import food grains worth Rs. 780 million. The figures in metric tonnes are not available. "We heard that 148,000 metric tonnes of wheat was exported to Bangladesh last year," he said.

The porous border between Nepal and India makes it difficult to monitor the movement of food grains, he added.

The gross production of food grains has however gone up slightly from 8.07 million tonnes last year to 8.11 million metric tonnes this year. Despite this increase, there will be a deficit because population is increasing by around 600,000 per year and gross production includes weight before processing like husking, Dahal said.

Nepal saw the worst food grain deficit in fiscal year 2005/06 with a deficit of 215,570 metric tonnes. This was also the first time that there was food grain deficit in Nepal. There was a deficit in 2006/07 as well, but last year there was surplus.