

## From New Delhi by Ramtanu Maitra

### Fresh hopes for Nepal's 'White Gold'

*U.S. Commerce Secretary Daley is promoting American investment in harnessing the country's mighty rivers.*

Despite the financial gloom and doom in the region, a gleam of hope has begun to shine through, and Washington alone deserves credit for it. U.S. Commerce Secretary William Daley's recent visit to India made it clear that President Bill Clinton is keen to put in place a South Asia policy which is based on infrastructure development and mutual cooperation. By far the most exciting news comes out of Nepal, where Prime Minister Surya Bahadur Thapa met with Daley while attending the Indo-U.S. Joint Business Council forum in Calcutta. Thapa said that the United States is keen to expand business and economic relations with Nepal, by promoting U.S. investment in such areas as infrastructure and harnessing the huge hydropower potential for mutual benefit.

"The forum provided the Nepalese delegation with an excellent opportunity to effectively put over the message that in the context of the economic liberalization policy pursued by the government, Nepal has been an attractive destination for investors," Prime Minister Thapa told the state-run RSS news agency. One of Nepal's main aims at the forum was to highlight its vast hydropower potential to U.S. investors; at least one such investor, Enron, has already submitted proposals to the government, the prime minister said.

Nepal, a mountainous, landlocked kingdom with about 15 million people, is enriched with swiftly moving glacier-fed rivers which could generate as much as 83,000 megawatts of electrical power. So far, Nepal has harnessed less than 200 MW of it (see *EIR*, April 20, 1990, p. 14). Nepal remains one of

the poorest nations in South Asia, and is heavily dependent on tourism and vices associated with it for its inadequate revenues.

The difference between harnessing those rivers and depending solely on tourism is the same as the difference between building its future and destroying its future. For too long, Nepal, a weak nation located in a poverty-stricken region, has had no choice but to accept the destruction of its future. For decades, many Nepalis have been convinced that their nation's economic hope rested in tapping the energy potential of its rivers and selling the electricity to power-starved India. Northern India is terribly short of electrical power. The economic development of India's Uttar Pradesh and Bihar, two northern states whose population of 200 million dwarfs that of most nations, has seriously been hindered by the shortage of power for agriculture, industry, and commerce.

The harnessing of the rivers would provide Nepal with free energy which is more than adequate to educate and develop the skills of its small population. On the other hand, this is exactly the fight that Nepal, with no help from appropriate quarters, has continued to lose. Nepal, with the help of India, had on occasions tried to break the shackles, but did not succeed. The Mahakali Treaty between Nepal and India, endorsed by two prime ministers in February 1996, was the last such attempt. The treaty called for construction of a 290-meter-high dam on Mahakali River to generate 6,000 MW of power.

The treaty was ratified by the Ne-

pal Parliament, but the opposition, led by the Communist Party of Nepal, has made it clear that building the dam will be next to impossible. Accusing India of "hegemonic designs," the red rebels virtually declared war against the project. Subsequently, extremist Maoists have gone on rampages in rural Nepal, joining hands with the environmentalists, who oppose equally strongly any development projects in the pristine hills and dales of Nepal.

The red and green coalition that formed in Nepal, on the other hand, is not unique. Also not new, is the tacit support of the World Bank for the anti-development front. In 1995, the World Bank pulled out of the \$764 million, 201 MW Arun Dam project, because of its "possible environmental impact." The World Bank was influenced by Britain's Overseas Development Administration, and Intermediate Technology, a Britain-based non-governmental organization.

Britain has a special interest in keeping Nepal poor. London is deeply involved with the handful of oligarchs who control Nepal's policy matters. The capital, Kathmandu, had long been targetted to become a "Bangkok in the hills," where drugs, casinos, sex, and money-laundering would be the main "economic activities."

Nepal is also the potential linchpin to Britain's long-cherished plan of setting up a London-controlled Himalayan kingdom between India and China. Recent reports indicate that "free Tibet" activities have sprouted in Kathmandu around the alleged reincarnation of one of the most revered Buddhist masters of this century, and the presence of Hollywood celebrities such as Richard Gere and Steven Seagal, House International Relations Committee staffer Paul Berkowitz, and Oxford professor Michael Aris, the husband of Myanmar's "human rights" activist, Aung Sun Suu Kyi.