

by the U.S. Agency for International Development (AID) and compiled by a galaxy of U.S.-based experts, argues that while building high dams with large reservoirs may help Nepal reduce annual floods and increase irrigational water supply at time of need, a run-of-the-river plant—which takes energy from the river as the water flows by, without storage or timed release capacities—is much less expensive and quicker to build, and does not create the potential for a catastrophic release of water in the event an earthquake causes the dam to burst. Moreover, AID states that the Himalayan rivers are laden with silt and therefore storage reservoirs cannot be looked at as permanent assets. The reservoirs will be gradually filled up with silt, making the hydropower plants redundant, the argument goes.

It is apparent that at least one faction close to the Nepali royal household has no use for large power plants or major infrastructural projects in any case. Officially, lack of resources is cited as the reason why the large hydropower plants cannot be built. Meanwhile, this group's obsession with the idea of making Nepal another Hong Kong or Singapore in South Asia, has given rise to all kinds of shady monetary transactions, smuggling, tourism, gambling casinos, and even drug peddling. Kathmandu's casinos, five-star hotels, and jet-set drug scene are eloquent testimony to the situation.

As a highly placed official close to the royal household told the Indian daily *The Hindu* several years ago: "Our moral fiber has degenerated. Corruption has never been so rampant as today. Smugglers with their black money and international links are virtually controlling the country. They have corrupted the Nepalese upper and middle classes. Smuggling is now a recognized, legalized trade in Nepal. Corruption at the top now permeates to the bottom." There are strong rumors that a part of the royal household, under the control of Queen Aishwarya, is even involved in the drug trade.

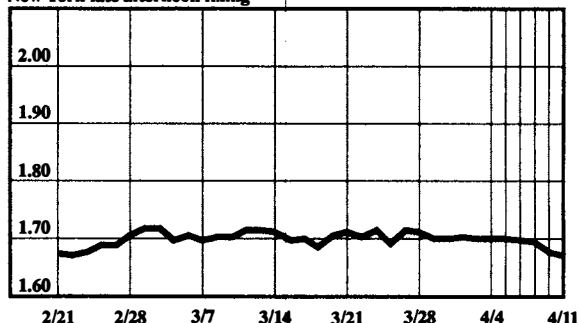
For Nepal, the only way out of the economic and social quagmire is through development of its physical economy and making the best use of every citizen's potential. Building large hydroelectric plants will provide sufficient amounts of inexpensive electrical power which can be effectively used to make agriculture productive and convert Nepal from a food-importing to a food-exporting nation. But with only 10% of its land mass arable, Nepal can never remain an agricultural nation; there is no other choice but to build up industry.

The abundant electrical power from the Himalayan rivers can help Nepal to build up a highly sophisticated, small-scale sector that will not only provide employment to the millions, but generate enormous wealth for the nation. It is this development which can transform Nepal's depressing rural scene into a vibrant one. The resultant economic surpluses can be plowed back into education, transportation, and communication for all.

Currency Rates

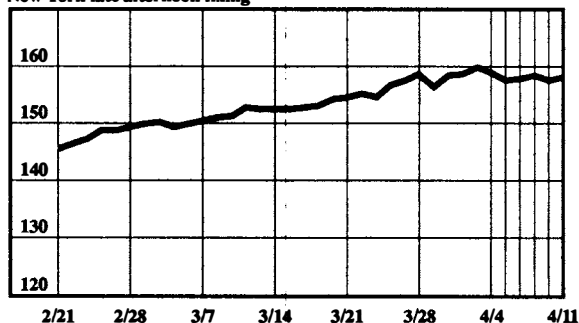
The dollar in deutschemarks

New York late afternoon fixing



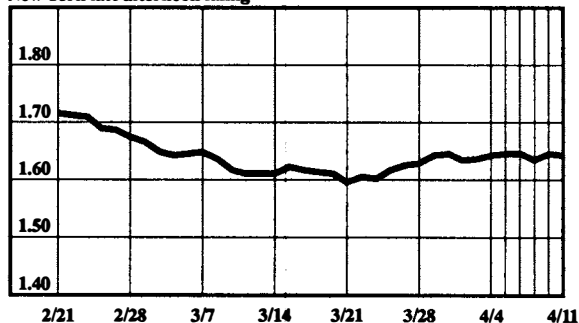
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

