

**PROCEEDINGS AND RESOLUTIONS ADOPTED IN THE 59TH SESSION OF THE
NATIONAL ASSEMBLY HELD FROM 31ST OCTOBER TO 5TH NOVEMBER, 1983**

1. DEVELOPMENT OF TRADE BETWEEN BHUTAN AND BANGLADESH

The Representative of the Bhutan Chamber of Commerce and Industry proposed that as diplomatic relations between Bhutan and Bangladesh had now been established for several years, trade relations may similarly be initiated at the earliest possible opportunity.

The Director of Trade and Commerce in response conveyed that the Royal Government certainly attached much importance to the development of trade with Bangladesh and thus initiated and signed a trade agreement with that country in 1980, soon after the establishment of diplomatic relations between the two countries. However, the Director explained, that actual trade between the two countries had not yet begun as this must be preceded by an economic study which will help to identify the products and produces which may be traded. He informed the Assembly that such a study had now been completed. The Director added that a new trade been drawn up and finalized and once brought into effect would foreseeably enhance Bhutan's trading prospects with Bangladesh. The Director further reported to the Assembly that the two countries would shortly be exchanging trade delegations and actual trade in terms of exchange of goods may be anticipated soon after that.

The Assembly expressed its appreciation of the progress made this far by the Government, but urged that the trade agreement with the Government of India and the trade talks with Bangladesh be concluded quickly, so that actual trade with Bangladesh can begin soon.

2. IMPROVEMENT IN THE CO-OPERATION BETWEEN THE BHUTAN CHAMBER OF COMMERCE AND INDUSTRY AND THE DIFFERENT ORGANS OF THE GOVERNMENT

The Representative of the Bhutan Chamber of Commerce and Industry stated that the organization was instituted in 1980 following a royal command to this effect. It has been founded on the noble concept of dual benefit for both the Royal Government and the business community. Its principal functions, as conceived at the time, were to serve as the chief medium of communication between the Royal Government and the private sector; it was expected to serve as the ground for all kinds of exchanges between the Government and the private sector. The Representative, expressed the Chamber's regret at its failure to play the

roles expected of it and explained this short coming in terms of poor management of the Chamber's affairs by in-experienced people. The Chamber's representative, therefore, sought the support of the Assembly in ensuring greater and effective participation and involvement of the Chamber in all proceedings and affairs conducted between the Government and semi-government organizations on the one hand and the private sector on the other. This in his view would help in rendering the Chamber, increasingly capable of fulfilling the role expected of it.

The Director of Industries and Mines and Forests, drew the attention of the Assembly to the fact that a close and vibrant relationship between the Royal Government and the private sector constituted an essential element in the progress of the country's socio-economic development. In recognition of this he asserted, the Government has with consideration continuously provided generous assistance to the Chamber. In the Director's view, the responsibility of maintaining a close and active co-operation with the Government lay primarily with the Chamber. Bearing this in mind, it would be most essential for the Chamber to appoint and maintain active and capable office bearers in its management so that the Chamber is able to keep itself abreast of all developments in the country and is capable of developing an acute sense of awareness so as to be able to feel the need of the Government and its changing mood from time to time.

Some members of the Assembly offered that some of the presently unidentified obstructions may be removed and the co-operation bettered if the concerned agencies of the Government and the Chamber would set up a meeting to discuss the matter in greater detail.

The Assembly agreed unanimously that a close relationship between the Chamber and the Government organizations was of tremendous importance as the initially conceived objectives of the Chamber were factors that partook in the formulation of some of the fundamental policies of the Royal Government. Thus, the Assembly resolved that a separate meeting of the Chamber and the concerned Government organizations be convened to promote this goal.

3. RESTRICTIONS ON THE LICENSED SALE OF COUNTRY LIQUOR

The Chimi of Chirang proposed a complete restriction on the licensed sale of country liquor as its permission invariably resulted in enormous misuse of valuable food grains.

Some members of the Assembly pointed out that such restrictions had been passed in the past sessions of the Assembly but had failed to produce satisfactory results as the brewing and consumption of country liquor was deeply embeded in our traditional customs. These members, therefore, recommended that the traditional habit be permitted to continue for the time being. Certain other members, however, suggested, as a compromising measure, that even if it was virtually impossible to stop this tradition in the villages, restrictions should certainly be imposed in the townships where consumers had free access to bottled liquor distilled at Samchi and Gaylegphug.

The Assembly eventually passed a resolution stating that while the preparation and consumption of country liquor may be permitted to continue in the privacy of homes, its preparation for commercial purposes in the shops should be completely banned with effect from 1st January, 1984, as the production of country liquor represented an awesome drain to the nation's scarce foodgrains a sizeable quantity of which must be annually imported.

4. EXTRACTION OF LIMESTONE DEPOSIT AT LAMIDARA

The Chimi of Chirang Dzongkhag proposed the extraction of limestone deposits at Dhanasey under the Beteni Gewog of Lamidara, if it should be found feasible.

In this regard the Director for Industries and Mines and Forests explained that any extraction of raw minerals must always be preceded by a feasibility study which provided primary guidance as to whether the deposit could be worked with economic gains or not. Hence, before the Government can launch any programme for the Dhanasey limestone deposit, a feasibility study must first be conducted, to determine its viability. Quoting the examples of the Penden Cement Plant and the proposed Nanglam Cement Project, the Director went on to assure the Assembly that the Government shared an equal keenness on mining and utilizing the minerals wealth of the country when ever rich deposits were discovered and feasibility studies showed positive indications. Furthermore, the Director reported that most of our deposits consisted of limestone and dolomite and based on these the Penden Cement Plant had been successfully commissioned and still yet a larger plant was being proposed at Nanglam for which a feasibility study was in progress and would be completed by June 1984.

The Assembly was pleased to endorse the statement by the Director of Industries & Mines and Forests.

5. AGRO-BASED INDUSTRIES

The Chimi of Chengmari sub-division congratulated the Royal Government on the good number of industries it had so successfully established. The Chimi proposed that similarly, the Government should also consider the launching of agro-based industries such as the planting and processing of Cinchona and Ipecac plants which have medicinal values and could thus be exported to supplement the Royal Government's foreign exchanges income.

On this issue, the Director for Industries and Mines and Forests responded by explaining that numerous herbs and plants which have healing values grew in the Kingdom and the traditional ayurvedic form of treatment which is actively practiced in the country was indeed based on this. The Director asserted that because the Government was aware of the values of these herbs, policies had been framed to prevent extinction of those species which cannot be regenerated and at the same time permitted the collection of those other species which could be multiplied. The Director also informed the Assembly that a mission from the World Bank had visited the country to determine the areas in which it could assist Bhutan and that one of those fields have been identified as the development of ayurvedic treatment which would generally focus on the cultivation of these rare plants. If the Government is fortunate enough to receive this assistance from the World Bank it will also arrange processing of these medicinal herbs. The Director further clarified for general benefit that interested individuals were free to grow such herbs on their registered 'Chushing', 'Kamshing' and 'Pangshing' land as well as orchard gardens, taking note, however, that with the exception of orchard land, the other categories are limited by an official land ceiling.

The Assembly endorsed the statement of the Director.

6. PRICE CONTROL ON ESSENTIAL CONSUMER ITEMS MEAT AND MEDICINES

In accordance with the resolution of the Fiftieth session of the National Assembly, the Director of Trade and Commerce reported on the price fixation of the essential consumer items including meat and medicines.

He explained that the price of consumer goods generally rose because of the market forces of supply and demand. In such a situation if the Government intervened and categorically reduced the prices of goods, the result would be a host of problems. Keeping this in mind, the Government has, therefore, decided on two approaches to deal with the situation:

- (i) The food corporation of Bhutan would increase the individual volume of all the items received on a quota basis from India, and other items which are not available through the same arrangements will also be obtained and stocked by the Corporation. For this purpose the Department of Trade and Commerce has transferred a sum of Nu.5 lakhs to the Food Corporation of Bhutan which will utilize it as a revolving fund;
- (ii) The Food Corporation of Bhutan will start a fair-price shop in Thimphu which will similarly stock up all the commonly used items of goods and sell them at very reasonable rates. To enable the Corporation to launch this scheme, a sum of Nu.10 lakhs is being released by the Ministry of Finance. The introduction of the latter strategy is intended to produce a deflationary effect on the current market prices. With regard to the price control on meat and medicines, the Director briefed that the Government had already taken a decision and revised the rates, and circulars reflecting these were already distributed. However, he urged that if prices were to be reduced, the Assembly would need to consider waiving the past resolutions which limited the number of animals that may be culled in a week.

In the deliberations the Assembly was divided in opinion. While some members shared the Director's view, other members insisted that the previously formulated rule should be maintained and the proposal for reduction in prices withdrawn.

In view of the above division His Majesty the King was pleased to confirm that the rule which restricted the number of animals to be butchered and the proposal for reduction in the price of meat was indeed seriously contradictory. His Majesty, the King, therefore, guided that since the recently altered prices of meat were already widely circulated and apparently drew no negative response, the present arrangements should be continued for the time being until a revision became necessary.

The Assembly subsequently endorsed the royal command.

7. EXTENSION OF DRUK-AIR SERVICES TO BANGLADESH, NEPAL AND OTHER THIRD COUNTRIES

The Chimi of Tewang and Bhime of Thimphu Dzongkhag expressed satisfaction and appreciation at the successful establishment of air services by Druk-Air Corporation to

Calcutta and urged the expansion of the Druk-Air's services to other countries with whom Bhutan enjoyed diplomatic relations. He stated that if the Government currently experienced unavoidable constraints in spreading our air services to all those countries, efforts should at least be made to extend air services to our close neighbours, Bangladesh and Nepal. The establishment of air links with these two countries would undoubtedly generate enormous benefits for both the Royal Government and the public.

The Minister for Communications and Tourism responded by expressing appreciation for this progressive thinking and explained that as a result of the public's profound interest in starting a national airline which have been voiced in several previous sessions of the Assembly, Bhutan is now proudly linked by an air service from Paro to Calcutta. Initially Druk-Air services between Paro and Calcutta the Minister briefed, were limited to two flights a week and this had now been increased to three and frequently four flights. It was also reported that the Druk-Air Corporation's second aircraft had recently been delivered by the manufacturers. The Minister's further comments laid bare the Corporation is acute need of time for the development and consolidation of the recently established infrastructure before it could take on fresh responsibilities.

The Assembly expressed that it was important from the point of view of national interest that air links with other countries be established at the earliest possible opportunity.

8. RESTORATION OF WEEKLY BUS SERVICE BETWEEN MONGAR AND LHUNTSHI

The Chimi of Kurtey expressed gratification for the provision of a motor road which now linked Lhuntshi with the rest of the country. The Chimi, however, requested the establishment and maintenance of regular bus services between Mongar and Lhuntshi at the frequency of one or two services a week to facilitate the movement of the populace in that area.

In this regard, the Minister for Communications and Tourism reported that bus services had indeed been introduced between Mongar and Autsoo, a mid-way point on the fair-weather route. This service had however, been temporarily disrupted by bad weather conditions in recent months but had now been restored. The Minister also reported that the Ministry now intended to further this service upto Chazam in Lhuntshi, as soon as some of the current constraints and inconvenience were removed.

The Assembly was pleased to endorse the response of the Minister for Communications & Tourism.

9. RESTRICTIONS ON FOREIGN TREKKING TEAMS

The Chimi of Khatey, Lingshi and Naro of Thimphu Dzongkhag presented their grievance against the recent introduction of trekking and mountaineering activities for foreigners. The Chimi reported that there was superstition among the people and that the introduction of trekking and mountaineering on mountains and peaks traditionally considered sacred by them have led to the spread of many form of sickness affecting both the people and the livestock. It was appealed, therefore, that foreign visitors in future be prevented from approaching and scaling these peaks to restore their sanctity.

The Minister for Communication and Tourism addressed the Assembly on this issue by bringing to attention that Bhutan had been familiar with mountaineering since 1931, and no complaints had hitherto been received from the public, indicating that mountaineers were trespassing ancient sanctuaries and should, therefore, be prevented from doing so. The Minister reported that in recent years His Majesty, the King, had with imminent wisdom, commanded the Ministry to be sensitive and responsive to such religious inclinations of the people. However, no complaints had been registered by the Ministry to this date. The Minister assured the Assembly that if the Ministry's activities intruded on such religious convention of the people, it would certainly respect these especially since there was a clear command in this respect. The Minister, therefore, proposed that the public of the affected areas prepare and submit to the Ministry, a list of the peaks identified as sacred. Furthermore, it was explained to the Assembly that mountaineering and trekking had been introduced in the country with the primary objective of earning valuable foreign exchange.

The Assembly was pleased to endorse the recommendation offered by the Minister for Communications and Tourism, as a means to addressing the grievance of the public.

10. BHUTAN CUSTOMS REGULATIONS

The Representative of the Bhutan Chamber of Commerce and Industry asserted before the Assembly that Bhutan being a sovereign nation it should naturally formulate and exercise its own customs rules and Bhutanese travellers by virtue of the same reasons should not be subjected to Indian baggage rules. The representatives also sought the Assembly's

endorsement on a proposal to lower the import tariffs on goods that are not produced and available domestically.

In response to the above, the Deputy Minister for Finance briefed that the Ministry of Trade and Industry in collaboration with the Ministry of Foreign Affairs had recently drawn up a new trade agreement with the government of India and once brought into effect would mean a major improvement on the present customs arrangements as the entire regulations, which were prepared in 1972 would undergo substantial revision. Regarding the proposal for reduction on the import tariffs the Deputy Minister explained that the Royal Government would review and decide on the various levels of taxation for each item of good to be imported. The proposal in draft form would be submitted to the next session of the Assembly for its review and endorsement.

The Assembly observed that arrangements to develop and adopt our own import and export regulations was a matter of considerable importance and should thus be pursued actively.

11. CARRIAGE COMMISSION ON PRIVATE SECTOR TRUCKS

The Representative of the Bhutan Chamber of Commerce and Industry presented before the Assembly that truckers in the private sector were imposed an annual carriage commission of Nu.6,000.00 which when added up with other tax forms amounted to Nu.14,000/-. In view of the sluggishness of the trucking business, truck owners found the taxation to be out of proportion and burdensome, and thus, a reduction in the rate of carriage commission was petitioned.

In reply to this, the Deputy Minister for Finance was pleased to explain that initially when the transportation business in the private sector was syndicated, 15% of all earnings per annum was charged on all heavy vehicles. Later when the Bhutan Transport Corporation was dissolved the Government further reduced the commission payment to a fixed sum of Nu.8,000.00 per year. However, members of the trucking community, apparently discontented with this reduction, again approached the Government through the Chamber for a further reduction in the commission payable to the Government, HRH the Representative of His Majesty in the Ministry of Finance with extreme regard for the welfare of the truckers, had again approved a further reduction to Nu.6,000.00. The Deputy Minister pointed out that in view of the increasing developmental activities in the country, it was only too logical that business in the trucking industry should also grow simultaneously. Consequently, a plan had

been affected to actually raise the commission. However, in the light of the Chamber's petition, the Deputy Minister for Finance agreed to stall any such move. In conclusion the Deputy Minister asserted that it would be absurd for the government to approve a further reduction and similarly it would be most unreasonable and irresponsible on the part of the Chamber to present such a proposal.

The Majority of the Assembly members supported the view of the Deputy Minister and decided that the present rate should be maintained.

12. SPECIAL LOANS FOR THE PRIVATE SECTOR

The Representative of the Bhutan Chamber of Commerce and Industry drew the Assembly's attention to the fact that the private sector had, not in the distant past, enjoyed the benefit of loans with special terms from both the Government and the financial institutions against Government guarantees. These Loans were made available to promote the development of industries and to facilitate business. However, in recent years the facility was withdrawn affecting the business community to the extent that even the preparation of project reports for proposed industries was hampered. The Chamber, therefore appealed that the facility be re-introduced this time with the Chamber standing as the guarantor for all loans.

The Deputy Minister for Finance reported that the Government had with great consideration arranged for the financing of industries and business and the actual releases effected amounted to Nu.90 lakhs. However, the recipients of these loans not only failed to spend the money on the proposed activities but had seriously failed in their repayment obligations. Hence, with no other alternative the government was compelled into withdrawing the facility which had been so badly abused. The Deputy Minister further explained that loans were still available through the financial institution for industrial and business ventures as long as investors were able to satisfy the financial discipline of these institutions with well prepared project reports. While this would continue, the Government could not possibly revive the previous scheme and arrange mass lending to the entire business community. Even if the Chamber was prepared to stand as the guarantors, the core problems would still not be removed as mere guaranty without security would lead the Chamber to unforeseen complications.

13. BANK LOAN FOR THE PEOPLE OF CHIRANG

It was reported to the Assembly by the Chirang Chimi that a sizeable portion of the Dzongkhag's rural populace were gravely indebted to scrupleless money lenders.

Since these loans were secured at exorbitant interest rates the Chimi appealed that loan facilities be made available to the people from the Bank's branches in the Dzongkhag, against security deposits of gold and silver ornaments.

In this matter, the Deputy Minister for Finance explained that wherever would be borrowers were prepared to pawn away gold and silver items as security deposits, loans were available. However, he briefed that such loans were only processed at the Bank's headquarters in Phuntsholing and if the processing of such loans through the Bank's branches in the Dzongkhag made differences to the people in terms of personal convenience, the Finance Ministry would be pleased to make the arrangements after holding consultation with the Bank of Bhutan on the matter.

The Assembly was pleased to endorse the statement by the Deputy Minister for Finance.

14. BANKING FACILITIES FOR LHUNTSHI DZONGKHAG AND SIBSOO SUB-DIVISION

The Chimi of Lhuntshi Dzongkhag and Sibsoo Sub-Division requested the provision of banking facilities in their areas.

To this, the Deputy Minister for Finance pointed out that there were as many as 17 bank branches and during the current financial year two more branches were envisaged at Dagana and Gedu. He explained that for the establishment of every additional branch, the Bank of Bhutan had to determine and confirm the accessibility of the place by motor road and ensure adequate justification in terms of economic feasibility and business volume for the Bank. The Deputy Minister assured that similar feasibility study would be carried out for Lhuntshi and Sibsoo. His Majesty the King contributed to the discussion by drawing the Assembly's attention to the fact that in some of the dzongkhags, even dungkhags were serviced by Bank branches. His Majesty, further added that dzongkhags without banking facilities would face considerable difficulty, as all dzongkhags receive huge sum of money for implementing their development programmes. In view of these considerations, His Majesty was pleased to

command that a branch of the Bank of Bhutan be opened at Lhuntshi at the earliest opportunity.

The Assembly supported His Majesty's view and resolved that a Bank branch should be opened in Lhuntshi during the very current financial year.

15. HOUSE INSURANCE SCHEME TO BE OPERATED THROUGH THE DZONGKHAGS' OFFICES

The Chimi from Sibsoo appealed that alike the arrangements made for the settlement of claims under the Life Insurance Scheme, settlements under the House Insurance Scheme should also be affected through the Dzongkhag's office for the convenience of the public.

On this issue, the Deputy Minister for Finance briefed that the two schemes of Life Insurance and House Insurance were entirely different. While in an instance of the former, settlements can be easily effected through the Dzongkhag's office, in an event of the latter, investigations must be conducted first by the Dzongkhag Administration and subsequently by the Ministry of Home Affairs, before a settlement may be effected. He, therefore, recommended to the Assembly that the present arrangements be maintained. His Majesty the King was pleased to intervene and command that the responsibility of investigation under the House Insurance Scheme be entirely left to the Dzongkhag Administration.

The Assembly decided that the responsibility of investigation, as commanded by His Majesty the King, be assigned wholly to the Dzongkhags and announced that the Dzongdas, Thrimpons and the Police representatives shall share this joint responsibility. Claims would, thus, be settled at the Dzongkhag level and reimbursement for these settlements would be effected by Ministry of Finance. The Assembly further decided that copies of all investigation reports shall be availed to the Ministry of Home Affairs.

16. LAND TAX OF THE DZONGKHAG SUB-DIVISIONS

The Chimi of Dorokha sub-division suggested that it would be both convenient and useful if the revenue accruing from agricultural land in the sub-divisions may be recorded as the revenue of the respective sub-divisions, regardless of the fact that the registered owner may be a resident of another dzongkhag.

In this regard, the Minister for Home Affairs explained that such a decision had already been taken by the Government and actual work in this matter was in progress.

The Assembly endorsed the statement by the Home Minister and resolved that, henceforth, taxes for all agricultural land in any one Dzongkhag will be collected and treated as revenue of that particular Dzongkhag, regardless of the place of residence of the actual registered owner.

17. ACTION AGAINST DEFAULTERS OF LAND TAX PAYMENT

It was proposed to the Assembly by the Chimi from Shemgang Dzongkhag that in the event a registered land owner lived away from the Dzongkhag and also simultaneously failed to fulfill his tax obligations to the Dzongkhag, provisions should be made to either transfer ownership of the land in question to the Government or have it allotted to a landless resident of that Dzongkhag.

The Home Minister briefed the Assembly that the Government recognized the individual owner's right of ownership to his land as long as the pertinent taxes were regularly paid even if the person was not a resident member of the Dzongkhag. The Government's view, however, would be different, in cases, where the absentee land lord failed to pay the land taxes regularly. In this regard, the Minister asserted that in all such cases an understanding had been reached that the Ministry of Home Affairs would be promptly notified. No reports of this nature had, however, been received by the Ministry, to this date.

The Assembly decided that all Dzongkhags should institute thorough investigations into such matters and have the related reports forwarded to the Ministry of Home Affairs for further action.

18. UNIFORM CALENDAR FOR ALL DZONGKHAGS

The Chimi of Bhangtar observed that Bhutan had a standard time of its own and he recommended that we should similarly have a uniform calendar of our own which would be commonly used in all the Dzongkhags and this in his view could be achieved by having the 'Datho' translated into Nepali and subsequently distributing it in the Southern Dzongkhags.

In response to this, the Representative of the Central Monk Body expressed appreciation for this sense of nationalism and the apparent recognition of the values of tradition and reported that efforts were being made to bring out the 'Datho' at an earliest date this year. The Representative also reported that if the Translation Division of the Information Department would shoulder the responsibility of the translation into Nepali, the Central Monk Body would be most pleased to contribute whatever assistance it could.

The Assembly resolved for the convenience of the Southern Dzongkhags that the Information Department will be designated as the responsible body for the translation of the 'Datho' into Nepali from forthcoming year.

19. DEMARCATION OF BHUTAN'S INTERNATIONAL BOUNDARY

On the question of our common boundary with our northern neighbour, the Chimi of Punakha stressed that a proposal for a formal demarcation had been repeatedly voiced in the past sessions of the Assembly and observed that the Government had, however, failed to give it much serious attention. The Chimi, therefore, urged that the matter be looked in to immediately without any further delay. On the same issue the Chimi from Kartsho and Ha Dzongkhag drew the Assembly's attention to the fact that in the absence of a formal and distinguishable boundary with the northern neighbour, local grazers in Ha were adversely affected, the foreign grazers from the north encroached on their limited pastures. The Chimi pointed out that the matter was not new subjects to the Assembly and called for urgent attention to the matter.

A response to this was delivered by the Chief of Survey. He expressed appreciation for the Chimi's concern on the matter and assured the Assembly that the government similarly attached great significance to it, as consequences of which formal demarcations along the southern border of 600 kms with India had almost entirely been completed, with the exception of a few small areas. In the context of the northern border, the Chief of Survey explained that for most parts, the boundary line was formed by the great Himalayan range and this aspect necessarily reduced the areas of possible dispute. Only a few points remained along the border where the two countries must chalk out a formal boundary and, to this and he reported the Government had already made much progress. Formal dialogues had been exchanged with the Chinese Government and both countries had now agreed to conduct a formal demarcation. For this purpose the Government had already appointed a committee which would shortly conduct talks with the Chinese Government. In regard to the matter in

pastures, the Survey Chief briefed that in obedience of a royal command, the affected areas had been surveyed several times and in his view the problems would be removed once the formal demarcations with China are accomplished.

On this same issue the Foreign Minister was pleased to report that as previously presented to the Assembly the two countries had already agreed to hold talks on the boundary subject and the Chinese Government had subsequently communicated to our Government that they would inform us as soon as they were in readiness to hold the discussions. He informed the Assembly that during the recent UN General Assembly gathering in New York, he had met the Chinese Foreign Minister on their request, and that at this meeting the Chinese Foreign Minister had conveyed his government's readiness to hold the talks. The two Foreign Ministers had held a brief discussion on the timing of the talks and had mutually agreed that this would take place sometime during 1984. He also informed the Assembly that the Chinese Foreign Minister had informally indicated that there were no foreseeable problems connected with the boundary issue. The Foreign Minister concluded that the Committee appointed by the Government to deal with the boundary issue would ensure a satisfactory state of preparedness by the time the talks are due next year.

The Assembly announced that the matter was indeed of great significance for the country and expressed satisfaction for the achievements made this far. Nevertheless, the Assembly called for an expeditious and satisfactory conclusion of the matter.

20. ACTIVITIES OF THE NATIONAL WOMEN'S ASSOCIATION OF BHUTAN

The Chimi of Chengmari expressed appreciation for the formation of the National Women's Association of Bhutan (NWAB) under the leadership of HRH Ashi Sonam Choden Wangchuk. The Chimi, however, wished to be enlightened on the activities of the association this far.

The General Secretary of the NWAB availed the opportunity of addressing the Assembly on this matter. She informed the Assembly that the concept of a National Women's Association was passed by the Fifty-third session of the Assembly and with the approval of His Majesty, the King, the NWAB was subsequently formed on 9th April, 1981 with fifty founding members under the leadership of HRH Ashi Sonam Choden Wangchuk. She observed that the nature of the existing welfare activities in the Kingdom did not particularly call for the formation of such an association. Nevertheless, the Association was formed and at its first

meeting a unanimous decision was taken to assign itself the social task of educating and training women in the rural areas on such subjects as health and hygiene and mother-and-child care methods. The Association also decided to experiment their selected programme initially in the Thimphu Dzongkhag and to spread out later into the other Dzongkhags, if the programmes proved to be effective and useful. The General Secretary also reported that because the NWAB had no real sources of funds for running its programmes varied efforts had to be made to greater its initial capital : membership fees at the rate of Nu.10/- per head were collected, lotteries were held, fairs and other entertainment programmes were organized. The limited resources has enabled them to educate and demonstrate various methods of maintaining both personal hygiene and domestic cleanliness. Advanced kitchen chimneys and better toilet systems were also illustrated and taught to the village women. In a few villages bathing houses were also built to encourage cleanliness. In others, slides shows on the foregoing topics were organized to provide motivation. The Association is also making arrangements to assist weavers in eastern Bhutan by importing and providing weaving yarns at cost prices. The General Secretary informed the Assembly that constitution of the Association had been drawn up and if members of the Assembly desired additional information, copies of this could be made available to them. The Secretary further invited interested members of the Assembly, who wished to know more about Association, to its forthcoming general meeting. Finally the General Secretary briefed the Assembly that the Association's programmes for this year would be launched in Samchi.

His Majesty, the King graciously expressed appreciation for the efforts of the NWAB and the programmes undertaken by it. His Majesty was pleased to command that from the forthcoming year the NWAB will submit its work programme to the Government for its review and if the Government should find that the programmes are useful and effective, some financial support will be provided from the national exchequer.

21. SALT PRICES

The Chimi of Kawang and Teop reported to the Assembly the rising trend in the price of salt and requested that, henceforth, retailers be removed and the commodity be sold only through the Food Corporation of Bhutan's sales counters.

The Deputy Managing Director of the Food Corporation of Bhutan informed the Assembly that annually 4,000 tonnes of salt was available to Bhutan from India under a quota system, which is lifted every third of fourth month. This shipment is divided between the three entry

points, Phuntsholing, Gaylegphug and Samdrupjongkhar and sold through the Corporation's 40 depots controlled prices. Where the Corporation's service could not reach the customer, the commodity is marketed through retail agents whose selling price is also controlled by the Corporation after considering transportation costs etc. The Deputy Managing Director advised that if buyers were able to visit the Corporation's sales depots, salt was available in sufficient quantity.

The Assembly resolved that the Food Corporation's existing systems were both adequate and satisfactory.

22. POWER SUPPLY

Having noted the progress on the Chukha Hydel Project, the Chirang Chimi expressed satisfaction in the work. However, the Chimi desired to be briefed as to which Dzongkhag would receive electrical power from Chukha once it was fully commissioned.

The Director of Power responded with a detailed explanation on the various aspects relating to the supply of Chukha Power to the different Dzongkhags in the country. He began by advising that the eventual installed capacity of the project will be 336 MW, 81 MW of which would be available by March 1985.

In the first phase Chukha Power would be supplied to Thimphu, Paro, Phuntsholing, Penden and Pasakha. In the second phase, power would be supplied to Punakha, Wangdiphodrang and Ha which will cost the Royal Government about Nu. 23 crores. The Director explained that some of the dzongkhag would never receive power from Chukha as transmission to distant places was extremely expensive. He illustrated that if Gaylegphug were to be supplied power from Chukha by a 220 KV line, the distance of 139 Kms, would force the eventual cost to nothing less than Nu.12 crores. Besides maintenance cost for such a transmission line would cost 12 lakhs annually. The cost structure for a kilometer of 220 KV and 66 KV line was as heavy as Nu.7.50 lakhs and Nu.4.20 lakhs respectively. The Director, therefore advised that the maintenance cost would more than offset the revenue earnings which would render the project economically impractical. However, the Director, briefed that in order to boost the country's socio-economic development, the Government plans to ensure power supply to all the seventeen Dzongkhags. The 66 KV line from Assam which currently feeds Gaylegphug will be sufficient to supply Chirang. For the central and eastern areas, two projects of 20-30 MW capacity are being studied. Khaling and Bumthang will each be

equipped with individual hydel power stations. In addition, small schemes ranging in capacities from 5-25 KW will be installed in remote and farflung settlements which will provide adequate power for domestic lighting purposes as well as the operation of small machines.

23. CITIZENSHIP ACT

The Chimi from Sibsoo stated that as proposed by the Gaylegphug Chimi in the Fiftieth Session of the Assembly, a revision of the National Citizenship through amendments was both important and desirable. The Chimi conveyed that the Fifteenth Session had passed a resolution assigning Royal Advisory Council the responsibility of visiting the Dzongkhags and making a careful assessment of the revision requirements to the Act. The Chimi said he was, therefore of the view that the exercise would now be completed.

To this the Representative of the High Court reported that the High Court had been commanded by His Majesty, the King to conduct a thorough review of the provisions of the Act. The Representative of the High Court reported that the revision was now almost completed and the draft would be put up to a session of the Lhengyel Shuntshog once it was satisfactorily drafted. The document once passed by the Lhengyel Shuntshog would be presented to the next session of the Assembly for its review and endorsement.

The Assembly recognized the importance of the Act and resolved that it should be positively ready for presentation to the next Assembly.

24. CLARIFICATION ON THE DIFFERENCE OF JUDGEMENT PASSED BY THE HIGH COURT AND THE ROYAL ADVISORY COUNCIL

The Chimi of Tewang and Bjeme desired an explanation to the occurrence of two separate judgements on a single case which is first heard by the High Court and is later, by Royal Command, reheard by the Royal Advisory Council. He was referring to those situations where one or both the parties to a case are dissatisfied with the judgement passed by the High Court and thus make an appeal to His Majesty the King.

In this regard, a Councillor of the Royal Advisory Council explained that differences in the judgements passed by the High Court and later by the Royal Advisory Council if the parties are dissatisfied with the judgement passed by the High Court and have thus, further pursued

the case with the Royal Advisory Council are quite natural for two reasons : firstly it is sometimes possible that the same cases are presented differently by the same parties and secondly the Royal Advisory Council's approach is different from that of the law court's, by virtue of which it is sometimes able to negotiate and produce mutual settlements between the two parties. The floor was next taken by the Representative of the High Court who informed the Assembly that it was normal for all cases relating to law to be heard and decided by a court of law and even when the law of the land lacked explicit guidance for the Court, inferences must be drawn from the other provisions of the same law to arrive at a just decision. He reported to the Assembly that to overcome these complications, His Majesty the King had recently commanded that the functions of the Royal Advisory Council, when dealing with cases already heard and adjudged by the High Court shall be confined to determining whether the verdict of the court has been in agreement with the provisions of the law or not. Whenever, the Royal Advisory Council has determined that a certain proceeding and judgement has not conformed to the provisions of the law, the findings will be presented in the presence of His Majesty, the King and the High Court Judges, and thereafter, the final decision would be passed.

25. APPROVAL OF THE RULES AND REGULATIONS RELATED TO THE FUNCTIONS AND RESPONSIBILITIES OF THE ROYAL ADVISORY COUNCIL

In connection with the approval of the Rules and Regulations relating to the functions and regulations of the Royal Advisory Council, which in accordance with resolution 33 of the Fifteenth Sessions of the Assembly, was to be presented before the current session, the Chimi of Tewang and Bjeme of Thimphu Dzongkhag presented the following. Firstly attention was drawn to Rule 11 of the document which provided that the Royal Advisory Council will observe the activities of the Government officials, including that of His Majesty the King and report any activity which in its view appeared to be in the disinterest of the Kingdom, firstly to His Majesty, the King, and if necessary thereafter to the Cabinet and the National Assembly. The Chimi pointed out that the prosperity and tranquility which we currently enjoyed in the midst of darkened and troubled world was largely the result of being privileged with a benevolent dynasty of rulers, whose rule produced a rich interaction of sincere dedication, loyalty, respect and love between the crown and the subjects. He, therefore, proposed to the Assembly the deletion of the provision which renders the monarch answerable to his people. Besides he observed that a singular chance of misuse of this provision could not be ruled out and this would eventually result in great harm to the kingdom and its people.

The majority of the Assembly members supported the foregoing proposal expressing concern that in a blissful kingdom where the ruler lived for his people and the subjects alike respected and loved the monarch, the introduction of such a provision, given time, would certainly destroy this happy existence. The Assembly at large, therefore, repeatedly appealed that this provision in the Royal Advisory Council document be revised appropriately.

At this point, His Majesty the King was pleased to express that in the event a false and unjustified allegation is reported to the National Assembly by the Royal Advisory Council against the King, the wisdom of the Assembly would prevail and not permit the endorsement of such a charge before it took exhaustive measures to confirm the Council's charges. His Majesty the King, was nevertheless, pleased to reaffirm that any action of the King which placed the interest of the Kingdom in jeopardy, deserved to be brought to the attention of the National Assembly without any hesitation. His Majesty, therefore, desired that Rule 11 of the Royal Advisory Council be retained in its original form and requested the Assembly Speaker to endorse it. Simultaneously, the other Rules and Regulations relating to the functions and responsibilities of the Royal Advisory Council were also endorsed by the Assembly.

26. RULES AND REGULATIONS FOR THE NATIONAL ASSEMBLY

It was brought to the attention of the Assembly that the Rules and Regulations governing the functioning of the Assembly, were in need of substantial revisions to bring it in line with the present day situation. A decision was subsequently taken by the Assembly to replace it with a comprehensive documents which would cover all aspects of the Assembly's functions. The responsibility for the preparation of a draft document was delegated jointly to the Royal Advisory Council and the Speaker of the National Assembly and this would be presented before the Assembly's Sixtieth Spring Session in 1984.