

**ENGLISH TRANSLATION OF THE RESOLUTIONS OF THE 83RD SESSION
OF THE NATIONAL ASSEMBLY OF BHUTAN**

I. INAUGURAL CEREMONY

The 83rd Session of the National Assembly of Bhutan commenced on the auspicious 27th day of the 4th month of the Wood Female Rooster Year corresponding to June 3, 2005. His Majesty the King was received with the elaborate *Chipdrel* and *Serdrang* ceremony to the National Assembly Hall, followed by the traditional *Zhugdrel Phuensum Tshogpai* ceremony.

In his opening address, the Speaker welcomed His Majesty the King, members of the Royal Family, members of the National Assembly, foreign delegates and other guests to the inaugural ceremony. He expressed the hope that the current Session would yield substantive and meaningful deliberations. (*A copy of the Inaugural address is annexed*)

II. REPORT ON THE PERFORMANCE OF THE GOVERNMENT IN THE PAST YEAR

The Prime Minister in his presentation of the report on the performance of the government in the past year said that the fiscal year 2004-2005 has been yet another year of historic events. The restoration of peace and security by His Majesty the King in December 2003 has created conducive environment for Bhutan to continue moving ahead with the task of nation building. The annual government report was presented in the context of four pillars of Gross National Happiness:

First Pillar: The first pillar of Gross National Happiness was the promotion of equitable and sustainable socio-economic development. This pillar advocates that not only should development be sustainable but also that its benefits be shared equitably between different individuals, income groups and regions, in ways that promote social harmony and justice.

Second Pillar: The second pillar of GNH was the conservation of the natural environment. Bhutan has long recognized the crucial importance of environmental sustainability. Environment is regarded as a source of life and a development asset

with global significance, which needs to be protected and conserved in the interests of present as well as the future generations.

Third Pillar: The third pillar of GNH is preservation and promotion of cultural values. This pillar emphasizes the importance of preservation and promotion of cultural values to maintain the country's rich value system and distinct identity, independence and even survival as a nation-state.

Fourth Pillar: The fourth pillar of GNH is promotion of good governance. Good governance advocates a humane, just and responsive system of conducting the business of the government based on the principles of transparency, efficiency and accountability.

In conclusion, the Prime Minister expressed the gratitude of the government and people of Bhutan to all the development partners for their technical and financial assistance particularly to the Government of India. May the Guardian Deities of *Pelden Drukpa* continue to protect the sovereignty of our country and grant long life and happiness to our beloved King.

Deliberating on the report, the Royal Advisory Councillors along with some of the members sought clarification on the benefits and detriments of importing tobacco for personal consumption by paying tax despite the ban on sale of tobacco in the country. In pursuant with the decentralization policy, it was imperative to impart training to the community leaders in the geogs. It was also necessary to draft a Civil Service Bill, free of any political interference. The members also expressed that it is crucial to draft an Anti-Corruption Bill and be endorsed before the enactment of the Constitution. They also opined that the investigation on corrupt practices may be vested on the Chhoetse Penlop. While seeking clarifications on the construction of the Samtse-Phuentsholing highway, members also sought a briefing on the source of funding for the construction of accommodation for the monks around the Babesa Lhakhang premises and as to whether the Lhakhang belonged to the government or the private.

The Prime Minister elucidated the concern of the people on the above issues and said that a comprehensive report is to be submitted on Wednesday, June 8, 2005. The National Assembly commended the Prime Minister and the Council of

Ministers on the achievements of the government in the past one year. The deliberation on the annual report of the government concluded on the 27th day of the 4th month of the Wood Female Rooster year corresponding to June 3, 2005. *(A copy of the Annual Report of the Royal Government of Bhutan containing 109 pages was distributed to all the members of the National Assembly)*

III. PRESENTATION OF THE NATIONAL BUDGET FOR THE FINANCIAL YEAR 2005-2006 AND THE REPORT ON THE 2004-2005 BUDGET

The Finance Minister presented the financial year 2005-2006 budget and the report on the financial year 2004-2005 budget. The Minister said that the Bhutanese economy grew by 7.1% in the 2004-2005 fiscal year. While the annual inflation increased slightly from 3.66% to 3.91%, the Ngultrum appreciated by 3.36% against the US dollar. The unemployment increased to 2.5% from 1.8% in the previous year. Bhutan's foreign reserves grew by around 2% and stood at around US\$391 million, enough to cover 18.5 months of imports. On the monetary and credit development front, the money supply grew by 20% during the year ending 2004. According to the findings of the International Monetary Fund (IMF) Article IV Mission, the medium-term macro-economic prospects of the Bhutanese economy remained favorable. Reviewing the 2004-2005 budget as of March 2005, the Finance Minister said that the budget increase is around 18% on the original budget.

To further the overall objectives of our Five-Year development plans within our cherished philosophy of Gross National Happiness, a total budget outlay of Nu. 15,113 million has been proposed for the financial year 2005-2006. The expenditure is budgeted to grow by 6% and capital expenditures were projected to fall from the previous year's revised expenditure levels by around 14%.

The Finance Minister said that out of the total budget outlay of Nu. 15,113 million, Nu. 3,659 million, 24 % of the budget of the fiscal year is allocated to the Dzongkhags and geogs in a proportion of 20% and 4% respectively.

In keeping with the long standing government priority for the social sector, 12% of the total budget has been allocated to the health sector, 18% to the education sector, 14% to the agriculture sector, 9% to the roads sector, 5% to the communications

and transport sector, around 6% to the housing and urban development sector and 6% for the public sector debt servicing. A sum of Nu.311 million has been set aside for rural electrification projects, Nu.317 million to foster the growth of industries and about Nu.477 million for the cultural sector.

The Minister said that the external assistance in terms of grants is expected to grow by around 9% over the previous year's revised budget. As a result of the combination of slightly lower levels of projected expenditure and the higher expectation of revenues and grants in comparison to the revised budget, the government anticipates a fiscal deficit of around 4% of estimated GDP in the coming financial year. This gap is expected to be financed through domestic and external borrowings. The Minister, on behalf of the royal government and the people of Bhutan expressed deep appreciation and gratitude for the assistance provided by our development partners.

The Finance Minister said that under the dynamic and farsighted leadership of His Majesty the King, Bhutan was well placed in terms of its future economic outlook after the commissioning of the Tala-hydro power project which is a symbol of close relations between Bhutan and India.

The members sought clarification on whether the withdrawal of allocated budget for developmental activities in the geogs, black-topping of feeder roads and revision of budget needed to be approved by the National Assembly. The members also felt that it was important to conduct regular training programmes on the decentralization process in the geogs.

The members expressed their concern regarding merging of the Planning Commission with the Ministry of Finance as a Department. The Finance Minister and Minister for Foreign Affairs clarified that the Department of Planning has been placed under the Ministry of Finance because there were lots of work that required the two to work closely. The Finance Minister said that the government's budget was decided only after the development plans and activities were approved. Once the development plans were finalized, it was the responsibility of the Ministry to secure funds.

The National Assembly resolved that the Lhengye Zhungtshog should discuss the advantages and disadvantages of re-creating the Planning Commission and report to the National Assembly during the 84th Session. The National Assembly commended the Lhengye Zhungtshog for proper utilization of the government funds, increasing the revenue and maintaining substantial reserve. The budget for the financial year 2005-2006 was approved and the deliberation on the budget concluded on the 27th day of the 4th month of the Wood Bird year corresponding to June 3, 2005. (*The National Budget for the financial year 2005-2006 booklet was distributed to the National Assembly Members*).

IV. ISSUES RELATED TO DEVELOPMENT ACTIVITIES

1. Establishment of Hydro-power Project

The people of Trashigang Dzongkhag submitted that a hydro-power plant be built by tapping the Kholongchu river flowing from Trashiyangtse through Doksum. The people of Samdrupjongkhar expressed their concern that the remaining 15 megawatt of power supply from the 60 megawatt of power from the Kurichu Power Project would not be enough for the future development of small and medium scale industries, after 25 megawatts of power is reserved for the Dungsam Cement Project in Nanglam and 20 megawatts for the Ferro Silicon Project in Matanga. Therefore, the people of the two Dzongkhags requested for the construction of another hydro-power plant in one of the six eastern Dzongkhags.

Expressing their support on this issue, some of the members said that if the hydropower project was established, it would greatly benefit the people of the eastern Dzongkhags. Moreover, it would help in the generation of revenue by exporting power to the district of Tawang in the neighboring State of Arunachal Pradesh in India where they were facing the problem of insufficient power. The members also suggested that power could be exported not only to India but also to other countries in the region. The members reiterated that rural electrification should be carried out expeditiously as per the 9th plan.

In response, the Minister for Trade and Industry said that out of 60mw of power from Kurichu hydro-power project, only 7 percent is being consumed while the

rest is exported to India. The people need not worry about the insufficient power supply. The royal government had plans to start about 11 new hydro-power plants in the future in different parts of the country and many of the power plants proposed by the people are already included in the programme. Moreover, works on transmission lines from the existing power projects have already started in order to overcome the problem of power shortage.

Similarly, the Minister said that the export of power to other countries besides India would not be economical because of the long distance over which the transmission lines had to be extended. He also explained that the assistance for establishing the hydro-power is received from India and the export of power to other countries is not rational.

Since the establishment of hydro-power plant had to be based on detailed technical feasibility, financial viability and its potential benefits to the country, it is not possible to establish power plants everywhere. The National Assembly resolved that hydro-power plants would be established as per the policy and plans of the royal government. The discussion on the establishment of hydro-power project concluded on 30th day of the 4th month of the Bhutanese calendar year corresponding to June 6, 2005.

2. Establishment of a new college

The people of Paro, Bumthang, Thimphu and Punakha Dzongkhags submitted that the royal government should consider the establishment of a new college either by the government or private entrepreneurs since there is only one college to enable the successful class XII passed students to continue their studies within the country. This issue was also raised in the 81st Session of the National Assembly and therefore, the people requested to be briefed on the action taken by the government.

Deliberating on the issue, the Royal Advisory Councillors and other members said that since there is only one degree college in the country, it is high time to establish another college either in the eastern or the western region by the government or private entrepreneurs offering courses such as commerce and information technology. This would not only benefit the children from poor

families but would also reduce the unemployment problem and youth delinquency.

Speaking on the issue, the Royal Advisory Councillors, the Deputy Speaker and some members said that the government should not only include vocational training in the school curriculum but also decrease the cut off marks to give equal opportunities to all the students. Further, it would be appreciated if the Tala hydro-power project complex at Gedu is handed over to the Ministry of Education by the Ministry of Trade and Industry to establish a new college in the first year of the 10th Five Year Plan. Since the existing eight tertiary institutes and other training institutions in the country do not provide degree level education, the request of the people for the establishment of another college should be considered and also the resolutions of the past sessions of the National Assembly should be implemented without delay.

The Minister for Education reported that according to the resolution of the 81st Session, the Royal University of Bhutan and the Council of Ministers discussed on the establishment of a new college in the country. During the 9th Plan, the existing schools are to be expanded to enroll more students. Out of the eight tertiary institutions, six institutions provide degree level courses. In order to improve the quality of education, a new college will be established in the first year of the 10th Plan with minimal investment after the completion of the Tala hydro power project at Gedu when the complex in Gedu is handed over to the Ministry of Education by the Ministry of Trade and Industry. His Majesty the King has also commanded for the reopening of the Royal Bhutan Polytechnic at Deothang in Samdrupjongkhar. The Minister for Trade and Industry has assured that there would be no inconvenience in handing over the Tala hydro-power complex to the Ministry of Education.

The National Assembly resolved that while it was important to increase students' enrollment to its fullest extent, the existing colleges, vocational institutions and training centers should be expanded as per the policy of the Ministry of Education to provide maximum opportunities to the students pursuing higher studies. A new college will be established during the 10th Five Year Plan after the Ministry of Education takes over the complex at Gedu on completion of the Tala hydro-power project in 2006. The deliberation on the

establishment of a new college concluded on 30th day of the 4th month of the Bhutanese calendar year corresponding to June 6, 2005.

3. Establishment of Institute for Language and Culture Studies (ILCS)

The people of Trashigang Dzongkhag submitted that although a small country, Bhutan enjoys independence and sovereignty under the leadership of the monarchs and is blessed with rich cultural heritage and strong traditions. To preserve and promote our traditions, the royal government has established institutes at various levels like the Institute of Language and Culture Studies at Semtokha to develop the national language. Similarly, the establishment of a mid level ILCS starting from Class I till Class X in the eastern Dzongkhags would greatly contribute in the development of our language and culture.

During the deliberation, some of the Royal Advisory Councillors and members said that though the establishment of ILCS in the eastern Dzongkhags was discussed in the 74th Session of the National Assembly, the institute has not yet been established. The Bhutanese tradition and culture not only attracts lots of tourists but there is a standing command from His Majesty the King and the Chhoetse Penlop to protect our traditional values. Therefore, it is imperative that the royal government should establish an institute of language and culture studies in the eastern Dzongkhags.

In response, the Minister for Education said that the late His Majesty the third King established an ILCS in Semtokha Dzong in 1961. It was upgraded to a degree college in 1997 and now houses a total of 277 students. The institute will soon be shifted to Taktse under Trongsa Dzongkhag exclusively as a degree college with all educational facilities. The intake capacity of students would also be increased to 600. Since the Class X syllabi of ILCS are taught in general schools, it was not necessary to establish an institute for language and culture studies in one of the eastern Dzongkhags for the time being.

The National Assembly decided that in keeping with the policy of the royal government and the proposal of the Ministry of Education, the present ILCS at Semtokha would be shifted to Taktse under Trongsa Dzongkhag. The institute would be a full-fledged degree college with all educational facilities and the

intake of students would also be increased. In case of any problem due to the institute's inability to cater to the needs in the future, this issue will be discussed in the National Assembly and accordingly a separate institute would be established in one of the eastern Dzongkhags. The discussion on the establishment of the Institute for Language and Culture Studies concluded on 30th day of the 4th month of Bhutanese calendar year corresponding to June 6, 2005.

4. Widening of Narphung-Tshelingkhor Highway

The people of Samdrupjongkhar submitted that the steep terrain and narrow road conditions compounded by foggy weather along the Narphung-Tshelingkhor highway has not only caused increasing number of vehicular accidents but has also claimed many lives over the years. Therefore, the people requested that the road widening along the Narphung-Tshelingkhor highway be undertaken at an early date. The Trashiyangtse Chimi also submitted that since the highway served as the only main business route in the east, the widening of the road would benefit the six eastern Dzongkhags. Therefore, it was necessary that the above mentioned highway be widened.

Speaking on this issue, some of the members echoed on the loss of many lives due to vehicular accidents along the Tshelingkhor-Narphung highway. They submitted that the royal government should expedite the road widening works to curb this problem.

Responding to the submission, the Minister for Works and Human Settlement agreed that the Narphung-Tselingkhor highway between Trashigang and Samdrupjongkhar was indeed very narrow. He informed the Assembly that the Department of Roads, Road Safety and Transport Authority and the Traffic Police continues to work towards providing safety measures in the accident prone areas. The Minister added that the construction of Gyalpoizhing-Nganglam road in Mongar would automatically reduce vehicular traffic between Trashigang and Samdrupjongkhar.

The Minister said that it is important to study the financial implication to carry out the road widening works before it is actually implemented. Since this work

was not included in the plan, the road widening works could not be started immediately. However, measures such as installation of crash barriers, reflectors and signposts are in the pipeline. Moreover, as the Trashigang-Samdrupjongkhar highway is maintained by DANTAK, it is important to consult DANTAK accordingly.

As submitted by the Minister for Works and Human Settlement, the National Assembly noted that the road widening work cannot be started immediately due to its non-inclusion in the plan and financial constraints. Moreover, Narphung-Tshelingkhor highway is maintained by the DANTAK. It was important to have remedial measures to prevent vehicular accidents along the narrow roads. The National Assembly resolved that the Ministry of Works and Human Settlement along with DANTAK should discuss and study the possibilities of carrying out road widening works. The discussion on the widening of Narphung-Tshelingkhor highway concluded on the 30th day of 4th month of the Bhutanese calendar corresponding to June 6, 2005.

5. Construction of feeder road to Khotokha

The people of Wangduephodrang Dzongkhag submitted that the construction of road to Khotokha would benefit more than 200 households and boost agriculture activities throughout the year, particularly potato, which is cultivated on a large scale. The road would also benefit the shedras, drubdeys, schools and many sacred goendeys and the good quality timber of Khotokha would benefit the government. While the need for the road was felt long time back, it was not included in the 9th Five Year Plan since there was a plan to construct an International Airport at Khotokha. However, it is learnt that the plan to construct International Airport has been dropped as the site was found unsuitable because of its weather conditions. The people requested the royal government to construct the road within the 9th Five Year Plan for the benefit of the people.

Deliberating on this issue, members said that for the benefit of the entire rural people of Khotokha depending on agriculture for their livelihood, the royal government should construct a road to Khotokha as soon as possible.

The Minister for Information and Communications said that feasibility study was carried out for the construction of International Airport in Bumthang, Phuentsholing and Khotokha by the experts. The expert team found that Khotokha was suitable and accordingly a report prepared by the experts was submitted to His Majesty the King and the Lhengye Zhungtshog. With its approval, the 32 kilometer road from Wangduephodrang to Khotokha was incorporated in the plan to be constructed with the assistance from the Government of India. However, another feasibility study was carried out later by the experts from Sweden who found out that the site at Khotokha was not suitable for instrument landing due to poor weather conditions. Therefore, the construction of an International Airport at Khotokha was dropped and the feasibility study in Gelephu is being carried out.

The Minister for Works and Human Settlement said that the construction of 5.2 km feeder road from Tekizam to Bjena for the benefit of the people of Bjena and Rupesa geogs is confirmed with funding from Asian Development Bank. Considering the priorities for the construction of roads in all the 20 Dzongkhags, the Ministry has categorized the road plan in the country under A, B and C category respectively. The 26.5 km of road from Bjena to Trashila falls under category B of the road plan. Since priority to construct new roads was accorded to category 'A' roads in the 9th Five Year Plan, the Bjena Trashila road would be constructed only in the 10th Five Year Plan.

The Minister for Agriculture informed the house that while the Khotokha road does not fall under the agriculture farm road plan, the Forestry Development Corporation (FDCL) has already constructed a seven kilometer road from Phobjikha and a four kilometer road till Bhobjypang would soon be completed while from Bhobjypang to Gogona Lhaxhang, five kilometer has already been constructed as forest road. The Minister for Agriculture assured that depending on the availability of fund, 10 km road from Gogona Lhaxhang upto Trashila ropeway would be constructed within the 9th Five Year Plan in addition to the existing 15 km tractor road from Trashila to Khotokha.

The National Assembly, in view of the assurances of the Minister for Agriculture resolved that the 10 km road from Phobjikha to Trashila would be incorporated under the Ministry's farm road plan and the road would be

constructed by the Ministry of Agriculture. The deliberation on the construction of feeder road to Khotokha concluded on 30th day of the 4th month of the Bhutanese calendar year corresponding to June 6, 2005.

6. Introduction of Helicopter Service

The people of Trashigang Dzongkhag submitted that the announcement for the introduction of a helicopter service by the royal government in 2001 was appreciated by the business community, civil servants and the general public. However, the service has not been established and since there have been no news either, the people requested for a briefing on this issue. They also submitted that establishment of helicopter service as initially planned would help overcome the problem of road blocks during the monsoon season in summer and snowfall in winter. It would also reduce the risk of travelling through the neighboring Indian states in times of trouble. Moreover, it would greatly facilitate emergency medical evacuation on time and also boost tourism in the eastern Dzongkhags.

During the discussion on the issue, some of the members supported that the submission made by the people of Trashigang was genuine and that the establishment of helicopter service as planned would be very beneficial to the country.

The Minister for Information and Communications said that the proposal for establishment of helicopter service was announced in 2001 after it was discussed in the coordination meeting of the Council of Ministers and a proposal was submitted to His Majesty the King for approval. Keeping in mind the policy of the government to promote private sector development in the country, two proposals were received from the private parties for the establishment of helicopter service. A guideline for the implementation of helicopter service was framed and necessary equipments were procured. Although, five helipads have already been identified, the private entrepreneurs could not negotiate among themselves to come forward with their share capital to start the service. On its part, the government could not start the service due to lack of fund. However, the government was keen to establish the service and invited consultant from abroad to carry out feasibility study.

Although, the establishment of the helicopter service has been awarded to private entrepreneurs in line with the government policy of private sector development, an agreement has not been reached on capital share which has further delayed the operation of the service. As submitted by the Minister for Information and Communications and taking into consideration the benefit that the helicopter service would provide to the people within the country, the royal government has accorded priority to the establishment of helicopter service and a consultant has been invited from abroad for discussion. The National Assembly resolved that the government should continue the discussion and strive for the establishment of helicopter services recognizing its importance and benefits. The discussion on the establishment of helicopter service concluded on 30th day of the 4th month of the Bhutanese calendar year corresponding to June 6, 2005.

V. BHUTAN – CHINA BORDER

The people of Haa Dzongkhag submitted that the mule track constructed by the Chinese towards the Royal Bhutan Army outpost in Shakhatoey area about a few years back had been converted into a motor road and a motor road had also been built from the Langmarpo Chhu to Dolepchen last year. With the two countries having completed 17 rounds of boundary talks, the people requested for the important issue of demarcating the border to be expedited.

Most of the members speaking on the issue submitted that the construction of motor roads by the Chinese in the northern border areas of Haa Dzongkhag was a matter of great concern that needed to be settled without delay as it would become more difficult to resolve if it was prolonged. The motor road construction by the Chinese was indeed a serious development, raising doubts that the Chinese intention is to claim the area. The members pointed out that regardless of differences in their size, all countries were equal and had the right over their own territory. According to the agreement signed between the two countries in 1998, it had been agreed that peace and tranquility would be maintained along the border and that neither country would take up any controversial activities until the boundary was finalized. The people requested for a briefing on the boundary talks and the action taken by the government regarding the road construction activities by the Chinese.

The Secretary for International Boundaries reminded the members that the Royal Government had been involved in boundary discussions with the Chinese Government since April, 1984 and the 17th Round of Border Talks was held in Thimphu in April, 2004. A Chinese technical expert team was scheduled to visit Bhutan before the end of June 2005 preceding the next round of border talks to be held in Beijing, China.

The Secretary for International Boundaries reported that the government had raised the issue of the construction of six motor roads in the northern border areas several times with the Chinese Embassy in New Delhi, India since August, 2004. The Bhutanese Ambassador in Delhi had conveyed the Royal Government's concern that the road constructions were not in keeping with the letter and spirit of Article III of the Agreement signed by the two governments in December, 1998. The Minister for Foreign Affairs had also raised this matter with the Foreign Minister of China during their meeting in New York on 27th September, 2004. The Chinese Foreign Minister had assured the Bhutanese Foreign Minister that the road construction work would be stopped and also conveyed the commitment of the Chinese government to settle the issue amicably through friendly consultations.

The members expressed their grave concern over the construction of roads in the northern border and reiterated that the issue should be resolved without further delay. The members also sought clarification on whether the motor roads were being constructed within the Chinese side of the border or inside Bhutanese territory. They said that it was important to study the issue carefully and to know whether the construction of motor roads was being carried out by the Tibetans in the border areas on their own decision or whether the Chinese government was directly involved in the activities. They pointed out that the road construction activities were not in keeping with the agreement signed by the two governments and it would be a great loss for Bhutan and the Bhutanese people to lose even a single piece of territory.

Speaking on the issue, His Majesty the King said that it was important for the members of the National Assembly to know and understand the issue of the road construction activities by the Chinese. His Majesty mentioned the following points to the members.

1. The Royal Bhutan Army had seasonal outposts in the areas where the roads were constructed. In the Shakhatoy area, for instance, there is an outpost with one officer and 15 men. The outposts in all the border areas had not been recently established but had been there for more than 40 years.
2. The Chinese outpost at Wuchu is one of the biggest PLA posts that was built a long time back. One of the roads constructed last year was from the Chinese outpost at Wuchu towards Pangkala. Bhutan had already put forward to the Chinese that the border in this area goes along the Pangkala ridge.
3. Another motor road constructed by the Chinese was from the Langmarpo Chhu to Dolepchen and southwards towards Charithang. It should be noted that the track going from Charithang to Dolepchen and the Langmarpo Chhu was the traditional trade route used by Bhutanese traders in the past. Many of our senior officials in government service today also used to travel through this route, crossing over from Dolepchen to Jumu and Sikkim on their way to study in the schools in Kalimpong. About 3.5 Km of motor road was constructed last year in the Langmarpo Chhu area which belongs to Bhutan.
4. A look on the map shows that if the motor road constructed last year along the road going from the Langmarpo Chhu towards Phutegang is extended by two kilometers the road will reach the Phutegang ridge. The Phutegang area has never belonged to the Tibetans and is well inside our territory. The Royal Bhutan Army has an outpost in the area which is known as the Phutegang outpost.
5. A motor road was also constructed up to the international boundary at Jidula between Lungkala and Tremola. Whether this motor road would remain on their side of the border or would be extended to our territory will be known this year. In this area, the Royal Bhutan Army has had an army outpost at Soe for a long time.
6. A motor road was also constructed last year up to the international border at Mela in the Eastern Sector of the northern border. The nearest Royal Bhutan Army outpost from the border at Mela is in Tobrang which is about three days

walking distance from Mela. It is presently not known whether the Chinese will further extend this road across the border into Bhutanese territory.

His Majesty the King said that the Assembly members should bear in mind that out of the six motor roads constructed by the Chinese in the northern border areas last year, two had reached up to the border between Bhutan and China while the other four roads had crossed into Bhutanese territory. The roads had not been constructed secretly but had been built in areas where Royal Bhutan Army outposts were located.

His Majesty informed the members that the Royal Bhutan Army conducted daily patrols from these outposts and they regularly met Tibetan workers and Chinese soldiers involved in road construction works. The officers leading the patrols always spoke to the Chinese soldiers and pointed out to them that the roads were being constructed inside Bhutanese territory and that these activities were not in keeping with the agreement signed between Bhutan and China. According to the agreement, there should be no new activities of any kind carried out in the border areas until the final demarcation of the border by the two governments.

In response, the Chinese soldiers had always claimed that firstly they were constructing the roads in their own territory and not on Bhutanese land, secondly they were building roads for the benefit of the local Tibetans and lastly the road constructions were being carried out on the instructions of their government.

His Majesty noted that the Assembly members seemed to be of the view that the Chinese would give the areas claimed by Bhutan out of consideration that China was a big country while Bhutan was a very small country. However, the Bhutan-China boundary talks had been going on for the past 21 years and the two sides had still not been able to demarcate the border because of differences in the claims in some of the areas.

His Majesty informed the house that the Foreign Minister had met the Chinese Foreign Minister in New York on the sidelines of the UN General Assembly and conveyed Bhutan's concerns, mentioning several specific points which had yielded positive results. The issue of motor road constructions across the border into Bhutanese territory had also been raised with the Chinese Embassy in New Delhi.

The Bhutanese ambassador had raised the issue several times, including three times in writing, calling upon them to abide by the letter and spirit of the agreement signed by the two governments in 1998.

Speaking on the issue, the Foreign Minister reported that he had raised the matter with the Chinese Foreign Minister Li Zhao Xing during the UN General Assembly on 27th September 2004 as per the instructions of the Royal Government. During the meeting, he had conveyed that despite the cordial relations between Bhutan and China, the construction of six motor roads in the bordering areas had caused deep concern to the Royal Government and the people of Bhutan. He had requested the Chinese Foreign Minister to stop the road construction activities immediately. In response, the Chinese Foreign Minister had said that the roads were constructed in their territory but in view of the good relations between the two countries, the road constructions would be stopped.

The Foreign Minister also informed the house that Bhutan's concerns had been conveyed in writing to the Charge de Affaires of the Chinese Embassy in New Delhi through Bhutan's Ambassador on 29th December 2004. During a meeting on 18th January 2005, the Chinese Charge de Affaires had conveyed that they greatly valued and cherished the relations between Bhutan and China. He also said that the road construction activities had stopped since November 2004. The Chinese government had conducted an investigation and found that the road construction activities in the border areas were within their boundary but gave their assurance that based on the cordial relations between Bhutan and China and the past agreements signed between the two countries, no construction activities would be taken up in the border areas. The Foreign Minister assured the house that concrete steps would be taken to find ways and means to finalize the Bhutan-China boundary issue at the earliest.

The National Assembly noted that after 17 rounds of border talks between Bhutan and China, when a stage had been reached for achieving substantive results, the construction of six motor roads in the northern border areas had caused deep concern among the Assembly members. It was very important to look for the best ways to resolve the boundary issue without delay, keeping in mind the letter and spirit of the 1998 Agreement between Bhutan and China.

The National Assembly decided that the Secretary for International Boundaries and the Foreign Ministry must make every effort to amicably resolve the border issue as soon as possible, in keeping with the agreement signed between the two countries in 1998. The Bhutan-China border issue concluded on the 1st Day of the 5th Month of the Bhutanese calendar year corresponding to 7th June, 2005.

VI. Clarification on the Bhutan-Nepal Talks

The people of Trashiyangtse Dzongkhag requested to be briefed on the physical assault on the Bhutanese members of the Joint Verification Team by the people in the camps in Nepal on 22 December 2003 and the action taken by the Nepalese government to bring the perpetrators to justice.

The Foreign Minister informed the House that as reported last year, since His Majesty's Government of Nepal had not taken any action against the perpetrators following the violent incident on 22 December 2003 at Khudunabari camp in eastern Nepal, he had conveyed the deep concern of the Bhutanese people over the attack on our officials to Dr. Bhekh B. Thapa, the then Nepalese Foreign Minister on 7th February 2004 when he met him on the sidelines of the BIMSTEC meeting at Phuket, Thailand. He had also expressed disappointment and regret that an investigation into the incident had not been undertaken by His Majesty's Government of Nepal. In order to send the message that the two governments would not tolerate such unlawful behaviour and towards ensuring that similar incidents are not repeated in future, he had requested the Nepalese Foreign Minister to undertake a thorough investigation into the incident, identify and take action against the culprits.

Following the aforementioned meeting, the Royal Government had received an investigation report on the incident at Khudunabari camp from His Majesty's Government of Nepal in May 2004. However, the report neither identified the perpetrators nor indicated any action taken by them on the incident. Instead, His Majesty's Government of Nepal in violation of the agreement signed between the two countries, called on the Royal Government of Bhutan to further relax the terms and procedures of its Citizenship Laws. In response, the Royal Government had made it clear to them that their report was unacceptable. It was pointed out that as the main purpose of the report was to investigate and take action against the perpetrators, such unwarranted statements would send the wrong message that

attacks on and beating of Bhutanese officials would lead to further relaxation of our terms and procedures.

The Foreign Minister informed the House that in August 2004, His Majesty's Government of Nepal had provided written assurances that they would honour the respective terms and procedures as agreed during the 15th MJC in October 2003. *(15th MJC, Agreed Minutes, Paragraph 10, last sentence: "The terms and procedures for repatriation/reapplication/application for Bhutan and Nepal will be as prescribed by the two countries as per their respective laws, which will be mutually respected.")*

He reported that the Royal Government of Bhutan, on receiving this written assurance, had decided not to insist on a proper investigation and action against the perpetrators in the interest of our bilateral relations as well as not to delay the bilateral process to resolve the issue of the people in the camps. Accordingly, at a meeting on the sidelines of the UN General Assembly in New York on 29th September 2004, the Foreign Minister had informed the State Minister of Foreign Affairs of His Majesty's Government of Nepal that we were accepting the investigation report despite its severe shortcomings and factual inaccuracies.

The Foreign Minister reported that while the Royal Government of Bhutan remains committed to resolving the problem through the bilateral process, the deteriorating security situation all over Nepal and the infiltration of the camps by the Maoists and other related developments were matters of utmost concern to the Royal Government. The Maoists in Nepal were not satisfied with just carrying out their activities on Nepalese soil but were intent on spreading their revolution to other parts of the region. Even Ms. Christina Rocca, US Assistant Secretary of State for South Asia during her recent visit to Nepal in May 2005 called the Maoists a security threat to the whole region. She had said, "the Maoists have made clear their intention to impose a one-party 'People's Republic'... and export their revolution to neighbouring states. We feel that such a regime would almost certainly threaten the security and stability in the region."

He submitted that the Maoists had infiltrated the camps in Nepal, which have become a breeding ground for various radical political parties and terrorist groups. As reported last year, some of the main radical parties are the Bhutan Communist Party (Marxist Leninist Maoist), the Bhutan Gorkha Liberation Front and the Bhutan Revolutionary Students' Union. Allowing the highly politicized people in

the camps into Bhutan would mean importing ready made radical political parties and terrorists to duplicate the violence, terror and instability the Maoists have unleashed in Nepal. Due to our small size, Bhutan was not in a position to absorb even a fraction of the violence and lawlessness that pervades Nepal. In the last 8 to 9 years, over 11,000 people have been killed in Nepal.

The Foreign Minister reported that in resuming the bilateral process, the Royal Government would bear in mind the following:

- i) Our Citizenship and Immigration Laws;
- ii) The resolutions of the National Assembly; and
- iii) Security of our officials should they be required to visit the camps.

The members supported the submission made by the Foreign Minister and endorsed that the issue be dealt as per the resolutions of the past sessions of the National Assembly.

The National Assembly noted the status of the Bhutan-Nepal talks in connection with the issue of the people in the camps in Nepal which had been carried out as per the past agreements and understandings between the two countries. The Assembly recognized that the Bhutan-Nepal talks could not be continued after the attack on the Bhutanese officials of the Joint Verification Team in Nepal in 2003 mainly due to the prevailing political situation in Nepal. The National Assembly resolved that the issue should be settled bilaterally between the two governments based on the agreements signed between the two countries, the citizenship and immigration laws of the respective countries, and the resolutions of the National Assembly and the decisions of the MJC. The discussion on the clarification on the Bhutan-Nepal talks concluded on the 1st day of the 5th month of the Bhutanese calendar year corresponding to June 7, 2005.

VII. Report by the Zhung Kalyon of the Royal Advisory Council

The Zhung Kalyon presented a brief report on the implementation of the resolutions of the 82nd Session of the National Assembly in relation to the Ministry of Home and Culture Affairs, Ministry of Finance, the Royal Audit Authority, Ministry of Work and Human Settlements and the Royal Court of Justice.

Deliberating on the report, some members raised question on the report regarding the non-receipt of response from the Royal Audit Authority on the misuse of power. They questioned if it was indicative of non-existence of corrupt practices or if there were any other reasons thereof. The members pointed out that the construction of Chukha Dzong was discontinued because of mismanagement entailing huge financial loss to the government besides wasting labour contribution of the people. The members said that the person(s) involved in the management of the Chukha Dzong construction must be identified and held responsible.

Likewise, some members enquired as to whether there were committees in the government similar to the committee to oversee the works on the renovation of Semtokha Dzong which is being supported by the government of India. According to the available information, the fund for the renovation of Baap Nyinzayergang Lhakhang for the benefit of 180 gelongs has been provided out of the fund earmarked for the renovation of Semtokha Dzong. The members enquired as to whether the government will have the authority over the Baap Nyinzayergang Lhakhang or the private will have control over the Lhakhang after its renovation.

Likewise, several members requested for a briefing on whether the resolutions of the past sessions concerning *Driglam Namzha* code of procedure, reduction of government pool vehicles and renovation of the Zhongar Dzong have been implemented or not. The representative from the Municipality submitted that the land price, land compensation and land substitution in the event of government acquiring private lands within the municipal area is the concern of the people. The members requested that retirement benefits for retired Lams and Lopons of Dratshang and ration and vegetable allowance for Goendeys and Gomdeys may be considered at the earliest. There has been no report on the review of militia volunteers training programme to strengthen the security of the country and create employment opportunities.

The Prime Minister reported that the renovation of old Zhongar Dzong will be carried out according to the feasibility report after considering the advantages and disadvantages. Although the construction of the Chukha Dzong has been stopped due to the problem of unstable soil condition, the high level investigation committee has not submitted the final report. Since the gelongs had no place to reside as Semtokha Dzong was under renovation, the gelongs have been

temporarily shifted in the Baap Lhakhang. The Lhakhang along with 5 acres of surrounding land has been handed over to the Zhung Dratshang. Likewise, the regular security forces were able to safeguard the security of the country and there is no separate command from His Majesty the King on raising of militia volunteers. The issues regarding land compensation and allowances are under review by a committee specifically formed for this purpose and that the *Driglam Namzha* code of procedure should be consistent with international norms.

The Finance Minister said that the Ministry had carried out feasibility study on 287 government pool vehicles. Out of 136 vehicles, 94 vehicles were identified to be withdrawn and 78 vehicles have already been sold through public auction. A total amount of Nu.4 million has been deposited in the government account. The remaining 16 vehicles which are under the Ministry of Health will be withdrawn in July, 2005. However, the existing 40 school buses will be retained with the respective schools.

The Dorji Lupon said that since the students of the Shedra and elementary level at Semtokha Dzong were facing inconveniences with the renovation of the Dzong, they were provided temporary accommodation in Baap Lhakhang. Two committees were formed to co-ordinate and manage necessary provisions at the Lhakhang. However, after the renovation of the Semtokha Dzong, the Shedra will be shifted back to Semtokha Dzong while the elementary school would be retained at Baap Lhakhang. It was clarified that the Lhakhang has been handed over to the Dratshang along with 5 acres of land surrounding the Lhakhang.

While referring the report submitted by the Royal Advisory Council, it becomes apparent that serious efforts was not made by the Royal Advisory Council and various Ministries in implementing the resolutions of the National Assembly within a period of one year. The National Assembly noted that the investigation report on the construction of Chukha Dzong was not submitted to the Lhengye Zhungtshog by the Ministry for Home and Culture Affairs. This issue would be resolved when the Minister of Home and Culture Affairs is present in the house. As reported by the Prime Minister and Dorji Lupon, the Baap Lhakhang and 5 acres of surrounding land has been handed over to the Dratshang. It was resolved that the Dratshang will be fully responsible in the administration of the Lhakhang. It should be borne in mind that it is the collective responsibility of all the Bhutanese people to respect

and take interest in *Driglam Namzha* which is an important aspect of Bhutan's unique national identity and equally important to set good examples to our children and employees. Since it was important that the code of procedure for *Driglam Namzha* should be in line with international system as submitted by the Prime Minister, it was resolved that the National Assembly would not pursue for a written code of procedure for *Driglam Namzha* but formulate various strategies to preserve and maintain it. The issue on the report by Royal Advisory Council concluded on the 1st day of the 5th month of the Bhutanese calendar year corresponding to June 7, 2005.

VIII. MISCELLANEOUS ISSUES

1. National Security

The people of Paro Dzongkhag submitted that the Bhutanese people had always lived in an atmosphere of peace and happiness over the centuries due to the blessings of our Guardian Deities and the strong and dynamic leadership of our monarchs. The people expressed their appreciation for flushing out the armed Indian militants by the armed forces under the dynamic leadership of His Majesty the King within a short period of time with minimum casualties. However, since there is a threat of the militants re-entering into our country, the royal government should further strengthen the security in all the 20 Dzongkhags particularly in the south.

During the discussion on the issue, most of the members expressed their deep appreciation to His Majesty the King and the armed forces for flushing out the Indian militants under the wise and dynamic leadership of His Majesty the King and restoring peace and security in the country in December 2003. While the RBA was patrolling the border areas day and night, Cheog Security Committees, Geog Security Committees and Reesups have been formed in the southern Dzongkhags to monitor security situation in the geogs. There has been no major security problems as the Dzongdas of the southern Dzongkhags were in constant touch with the governors in the neighbouring Indian states and the security personnel in both the countries also shared equally good relations.

In response, the Brigadier of the Royal Bhutan Army (RBA) conveyed the appreciation of the armed forces for the concern expressed by the representatives of the people on matters relating to the security. The Brigadier informed that 9 camps and 49 outposts have been established starting from Jomotshankha in the east to Sipsu in the west. The Royal Bhutan Army was conducting regular patrolling along the border in the southern areas as per the command of His Majesty the King. It was very important to enhance the capability of the standing army rather than training militia in the interest of the country.

The Prime Minister said that it is the collective responsibility of the government and the people to safeguard the security of the country. The relation between Bhutan and India is of paramount importance especially during the period of security threats posed by the militants from the neighboring states of India. However, after the flush out operation, regular security coordination meetings are being held between the two countries. The government officials and the security personnel on both sides of the border meet on a regular basis. The Prime Minister expressed the appreciation of the royal government to the government of India for providing security along the border areas as a result of which no Bhutanese citizen have been harmed till date. He also expressed the hope that no security problems would arise in view of the close relationship between the two countries.

Since the responsibility of protecting the security of the country has always been assumed by His Majesty the King and the armed forces, the National Assembly resolved that as submitted by the Prime Minister and the Brigadier of the RBA, the security of the country should be protected by the standing army through all possible strategies without having to recruit separate militia. The deliberation on the security issues concluded on 2nd day of the 5th month of the Bhutanese calendar year corresponding to June 8, 2005.

2. Review of Education Policy

The people of Mongar Dzongkhag submitted that the policy of the royal government to provide basic education up to Class X was entailing problems for the rural and low income bracket parents to send their children for higher studies. This has caused social problems in the society because students drop-out

of the school at an early age and took re-course to drugs, crime and other anti-social activities. Therefore, the people requested that the government should provide basic education up to Class XII.

Many members submitted that the policy of the royal government to provide basic education till Class X has benefited many youths. However, in keeping with the developments and changes in the country, the provision of basic education till Class X has not enabled the students to pursue higher studies. The people requested that the government should provide basic education up to Class XII for the welfare of the children of poor parents who have not obtained the required cut-off marks.

Responding in the deliberation, the Minister for Education reminded the house that as His Majesty the King has always said that the future of Bhutan lies in the hands of our youths, the royal government has accorded top priority to the development of the education sector. The Minister informed the house that about Nu.10,209 million have been allocated to the education sector in the 9th Plan. Presently, there were 476 schools with 5,772 teachers and 1,63,000 students in the country.

The Minister informed the house that basic education level has been increased four times over the years. Basic education level of Class V in 1981 was increased to Class VI in 1986, to Class VIII in 1999 and finally to Class X in 2001. Although Bhutan is an under-developed country, the provision of basic education is one of the highest compared to other countries. The Minister informed that 17 additional higher secondary schools would have to be constructed in addition to the existing 19 higher secondary schools. As per the Millennium Development Goal, enrollment of students would increase from 89% to 100% by the year 2015. Presently, a total of 6,000 students were enrolled in the existing 24 private schools in the country. In case, basic education is increased to Class XII level, the Class XI and XII students studying in the private schools will need to be accommodated in government schools which would compel the private schools to close down. Therefore, it would be appropriate for the royal government to continue providing basic education up to Class X. However, this provision could be reviewed in accordance with the growing number of Class X students in the future.

Responding to the submission of the Minister for Education, some of the members said that although basic education up to Class XII could not be considered at the moment but it should be done in the future. In keeping with the policy of promoting the private sector enterprises, it would be greatly beneficial if private schools could be established in the geogs and Dzongkhags other than in the capital city. Further, it was important for the royal government to work towards sustainable education system.

The National Assembly commended for the education policy and the benefits accrued to the government and the achievements made since 1961 as submitted by the Minister for Education. Bhutan compared to both developing and developed countries has been providing the highest quality of basic education, and is better placed among the countries in the South Asian region. Moreover, the education policy has been carefully formulated under the wise guidance of His Majesty the King. Since the increase in the provision of basic education upto Class XII would entail budgetary constraints to the royal government and affect the private schools, the National Assembly decided that the government should continue providing basic education up to Class X. The discussion on the review of education policy concluded on 2nd day of the 5th month of the Bhutanese calendar year corresponding to June 8, 2005.

3. Amendment of Act

The Representative of Bhutan Chamber of Commerce and Industry (BCCI) submitted that as per the Income Tax Act, Chapter 4, section 18 (J), expenses incurred either for a permit or licenses obtained through public auction or the tender is not allowed as deductible expenditure for tax purposes. Since this is not fair to the Bhutanese contractors, Chapter 4 of the income tax Act should be amended to include business expenses as current expenditure so that the contractors with a valid receipt could claim it as tax deductible expense. Moreover, in view of the discrepancies in the Dzongkha and English version of the Act, it needs to be reviewed.

In response, the Prime Minister informed the house that only two years had passed since the Income Tax Act was enacted. Moreover, the provision on the

expenses incurred for permit or licenses obtained through public auction has been included as non tax deductible expense based on the fact that it was payable to the government from the profit gained. There are only a few businesses like the liquor and mining activities where the permit or license is obtained through public auction. In case this provision in the Act is amended, problems may arise with the already existing companies who have obtained licenses through public auction. Therefore, this provision under the Income Tax Act should be retained.

The Finance Minister said that as per the provision in the Income Tax Act 2002, tender bids paid to the government are accounted as capital and not as expenditure. Therefore, the expenditure incurred was not tax deductible. This provision in the Act is also in consonance with the international accounting system. He said that frequent amendments of the Act would affect the stability of revenue base and the annual tax income of 27 million would be reduced, adversely affecting in achieving the national policy of meeting the recurrent expenditure by internal revenue.

As submitted by the Prime Minister and the Finance Minister, the National Assembly resolved that public auctions would be carried out in accordance with the Income Tax Act without amendment. As regards to the inconsistencies between the Dzongkha and English versions of the Act, a committee comprising of representatives from the Ministry of Trade and Industries, Ministry of Finance and Bhutan Chamber of Commerce and Industry would be constituted to correct inconsistencies in the Act. The discussion on the Amendment of Acts concluded on 2nd day of the 5th month of the Bhutanese calendar year corresponding to June 8, 2005.

4. Amendment of Land and other Acts

The people of Bumthang Dzongkhag requested for the amendment of the Land or other relevant Acts since the people were facing problems regarding the ownership of standing trees within 25 acres of their land holdings and on land compensation and substitution. The people of Mongar Dzongkhag also submitted that Section A) 6-9 A in the Land Act should be reviewed.

Deliberating on this issue, many members said that land compensation or substitution for forest covered private land acquired by the government should be given without delay. The people should be granted rights over trees to convert into private forests and procedure thereof should be made simpler and easier for the people. Further, the government should take over the infertile land instead of fertile land of the people for developmental activities. Since the Ministry of Agriculture is an important organization keeping contact with the people, members requested that land substitution be granted by the Ministry. A clause should be incorporated in the land Act whereby the existing Thram will remain valid until the replacement is made available.

The members said that it is important to formulate procedures for land compensation to be made as simple as the land acquired by the government and educate the people thereof. It was also reported that there was not only the problems caused by the differences in the Land and Forest and Nature Conservation Act but the Dzongkhags have not submitted any report on conversion of private land into private forest land to the Ministry.

The members submitted that the requirement to have separate census while segregating the Thram should be reflected in all the relevant Acts as well as in the Land Act which is being amended. It was also suggested that the problems faced by the people should be sorted out before the amended Land Act comes into effect. As per the relevant Act, even one or two acres of land in the rural areas which has remained under forest cover for more than 12 years had to be surrendered to the government. This system does not cover the orchards since it does not fall within the maximum land holding ceiling of 25 acres. Therefore, it is imperative to incorporate suitable changes in the Land Act.

The Minister for Agriculture said that though there were few differences in the provisions of the Forestry Act and the Land Act, the Land Act was in force. Since the amendment on Land Act is near completion, there was no need to revise the clauses in the present Land Act before the amended Act is submitted to the National Assembly for enactment. Guidelines for solving problems related to land substitution had been distributed to the Dzongkhags and the geogs but till now the Ministry has not received any feed backs. Nonetheless, the Ministry will

expedite work in close consultation with the Committee, in compensating or substituting private land acquired by government.

The amendment of the Land Act would automatically lead to the amendment of the Forest and Nature Conservation Act which was enacted two years back. Therefore, the National Assembly resolved that while the amendment would not be effected for the time being, the Ministry of Agriculture considering the submissions of the people should arrange to solve the problem of the people. The discussion on the amendment of Land and other Acts concluded on 2nd day of the 5th month of the Bhutanese calendar year corresponding to June 8, 2005.

5. Review of some provisions in Marriage, Inheritance and Land Acts

The people of Mongar, Trashiyangtse and Punakha Dzongkhags submitted that the husband had to pay *So-thue* and alimony even when the divorce was caused due to wife's fault. This has compelled the husband to sometimes sell off his parent's properties and land. Therefore, in order to reduce such problems, the people requested that the Marriage Act be amended. The people also submitted that in case of divorce, proper provision regarding the inheritance of property by the children was also required in the Act. It has been almost 26 years since the enactment of the Marriage Act and the Inheritance Act which were enacted in 1980. Therefore, it is necessary that the two Acts and other Acts should be amended in keeping with the socio-economic development in the country.

During the deliberation, the members submitted that it was important that the Land Act, Forest Act, Loan Act, Marriage Act and the Inheritance Act were amended in keeping with the socio-economic development and the changing needs of time.

Similarly, some of the members submitted that since water is an important part of land, a Water Act was also required. They sought clarification as to whether the government had any plans to formulate this Act. The members also raised the issue of inconsistency arising in the payment of alimony in case of a divorce and the expenditure incurred on marriage ceremonies. They submitted that it was imperative to amend the above Acts in keeping with modern living standards. They said that it was important to resolve whether the above Acts would be

amended by constituting a committee by the concerned ministries or by the representatives from the government.

The Minister for Agriculture said that since it was important to conserve land, a land use management programme would be initiated commencing from Trashigang in the east and solicited support from the people in implementing the programme. The Minister suggested that land substitutes for unproductive land acquired by the government could be made available in the resettlement areas. The Minister reminded the house that it was important to accord serious consideration for the amendment of the provision A) 6-9 because it was beneficial to both the government and the people at large. He explained the implication it would have on the Ministry of Agriculture and the environment policies. The Minister clarified that the Deputy Minister for National Environment Commission would be the right person to elucidate on the water bill. The Minister sought more time to enable the Ministry to carefully review the Land Act before the Forest Act was actually amended.

The National Assembly resolved that until such time that the Land Act was amended, the Dzongkhags and the Departments should forward all the cases to the Ministry for appropriate and timely decisions. The Legislative Committee in consultation with the Judiciary will make necessary amendments in the Marriage, Inheritance and the Land Act in keeping with the changing needs of time and submit it in the 84th Session for enactment. The deliberation on the review of some provisions in Marriage, Inheritance and Land Acts concluded on the 2nd day of the 5th month of the Bhutanese calendar year corresponding to June 8, 2005.

5(iv) Legislative Committee of the National Assembly

As per the resolution of the 82nd Session, the Legislative Committee and the Judiciary were jointly mandated to review the provisions related to *So-thue* after the divorce of parents. The committee submitted the proposed amendments for approval in the house. In a summary of the report, the Chairman of the Legislative Committee said that provisions Kha 7-1, Kha 7-2, Kha 7-3.2, Kha 7-3.3, Kha 7-4 and Kha 7-5 of the Marriage Act, 1980 and the provision Kha 7-3.1 of the Marriage Act 1996 were amended. In case the mother was found at fault

in a divorce case, both the parents had to pay 50 percent as *So-thue* till the child attained 18 years of age. The objective of amendment was focused on the welfare of the innocent child in case of a divorce of parents.

During the deliberation on the issue, many of the members supported the amendment proposed by the legislative committee while there were few who wanted that the provision of child maintenance be retained as before.

Some of the members said that it would be better if the child maintenance was paid by the father irrespective of who was at fault. The mother had to bear the child in her womb for nine months and had to undergo pain and trauma during child birth risking her life. Moreover, the Marriage Act specifies that the mother had to look after the child till the age of nine.

The members also submitted that if such a law was not in place considering the changing needs of time, many divorce cases will arise due to the mothers' fault. Moreover, the amendment in the Act to pay 50 percent of the *So-thue* by the father was based on the fact that the mother had to undergo tremendous risk for the period between conceptions to delivery.

Speaking on the issue, the Minister for Health said that considering the welfare of the people, His Majesty the King had provided free health care facilities and services to the people. He said that Bhutan enjoys high quality health standard compared with other developing countries. The maternal mortality had also reduced over the years and it has been targeted that by 2015 maternal mortality rate would be reduced to two-third of the total maternal mortality. Everywhere in the world, the law pertaining to the payment of child maintenance allowance is formulated based on the maternal mortality rate, income difference between the spouses and welfare of the child. The Minister said that it is very important that the provision should be in line with the provisions of the Convention on United Nations Child's Rights. Therefore, the amendments made to the Act were acceptable since the Legislative Committee's report was based on these factors.

The discussion on the revision of child maintenance allowance was divided and no consensus could be drawn. The National Assembly decided to resolve the issue by raising hands. Since majority of the members affirmed the revision by

raising their hands, the National Assembly endorsed the amendment made by the Legislative Committee. The discussion on the amendment to the Marriage Act concluded on the 2nd day of the 5th month of the Bhutanese calendar year corresponding to June 9, 2005.

6. Training on Bhutan Penal Code, 2004

The people of Punakha Dzongkhag requested to conduct training on the provisions of the Bhutan Penal Code, 2004 as was done with the Civil and Criminal Procedure Code, 2001 since the training will enhance general awareness of the laws related to Civil and Criminal Procedure Code.

Some members said that Bhutan Penal Code was one of the important Acts vis-à-vis the Constitution of Bhutan. Therefore, it was imperative to conduct training on the provisions of the Civil and Criminal Procedure Code.

The Speaker said that during the discussion with the Chief Justice, it transpired that if the Chief Justice personally conducted the training in all the Dzongkhags, substantial expenditure would have to be incurred while no separate budget provision has been made for such purpose. Therefore, the trainings would be coordinated and conducted by the Drangpons in the respective Dzongkhags. The National Assembly resolved that the High Court will give instruction to the Drangpons to conduct training on Bhutan Penal Code in their respective Dzongkhags. The deliberation on training on Bhutan Penal Code, 2004 concluded on the 2nd day of the 5th month of the Bhutanese calendar year corresponding to June 9, 2005.

7. Reduction of interest rate on rural credit

The people of Dagana, Gasa and Wangduephodrang Dzongkhags submitted that the interest rate on rural credits was reduced from 13% to 10% as per the decision of the 82nd Session of the National Assembly. However, during the actual implementation, reduction in interest rate was applied only to the Group Guarantee Lending Scheme. Since this has not largely benefited the people, this rate should also apply for other rural credit schemes. The people also suggested that an alternative to levy 10% interest rate to credits below Nu.1,00,000 should

be worked out to enable the poor farmers to avail loans and enhance their living standard.

Deliberating on the issue, some members submitted that although the 82nd Session of the National Assembly decided to reduce the interest rate on rural credits from 13% to 10%, it was applied only to the Group Guarantee Lending Scheme (GGLS). The interest rates on other rural credits were not reduced as a result of which, this has not benefited the poor people. Therefore, the interest rate on Small Investment Loans and Commercial Agriculture Loans should also be reduced to 10%.

The Minister for Finance said that in accordance with the resolution of the 82nd Session, the interest rate on Group Guarantee Lending Scheme (GGLS) was reduced from 13% to 10% despite the loss to the Bhutan Development Finance Corporation (BDFC). He added that reducing the present rates of 14% and 15% on Small Investment Loan and Commercial Agriculture Loan would affect the financial sustainability of the Corporation due to low returns on investment. He also submitted on the cost benefit analysis of rural credit service expenditure, the loan recovery cost and cost of capital.

The Minister while submitting on the cost benefit analysis of reducing rural credit interest rate irrespective of the type of loans said that if the interest rates were reduced to 10%, the Corporation would suffer loss of more than Nu.5 million in the first year resulting in the loss of Nu.30 million in five years. Therefore, the reduction in interest rates would compel the Corporation to discontinue the existing credit services instead of providing the farmers with loans for socio-economic development.

Moreover, there is risk of total depletion of reserve capital and the lack of provisions would entail a situation where disbursement of rural credits would not be possible. The shareholders who had contributed capital in the establishment of BDFC in 1998 were paid dividend only once. Therefore, this would not only pose risk of recovering the capital but would also hamper credit management. The Finance Minister said that the power to restructure the interest rates in other countries lay with the corporations and there was no practice of the government or the legislative body involved in fixation of interest rates. As per

the guidelines of the International Financial Institutions, the easy access to loans and timely recovery were more important than the rate of interest. However, the Ministry of Finance would consult the Royal Monetary Authority and the Bank of Bhutan on the possibility of reducing the interest rates but requested not to fix the interest rates on directives.

Many members said that since the Group Guarantee Lending Scheme did not benefit the general public, interest rate should be reduced to 10% on Small Investment Loans and not on the Group Guarantee Lending Scheme. The people availed Small Investment Loan rather than Group Guarantee Lending Scheme. Therefore, either a uniform interest rate should be applied to all rural credits or the interest rate on Small Investment Loan should be reduced. If the interest rates on rural credits amounting to less than Nu.100,000 were reduced to 10%, it will immensely benefit the poor people.

Explaining on the substantial loss to the Bhutan Development Finance Corporation upon reducing the interest rates of all rural credits to 10%, the Finance Minister said that it is the vision of His Majesty the King to maintain sustainability of services of the financial corporations. If the Corporation is not able to sustain, this would eventually lead to closure of its operation. Likewise, reducing the interest rate on rural credit amounting to less than Nu.100,000 to 10%, would entail a loss of Nu.7.640 million annually which would be Nu.38.20 million in five years.

Reiterating the submission of the Minister for Finance, the National Assembly resolved that the Ministry of Finance in consultation with the relevant financial institutions should study the possibilities of reducing interest rates of Small Investment Loans and Commercial Agriculture Loans like the Group Guarantee Lending Scheme and submit a report in the 84th Session. The issue on reduction of interest rate on rural credit concluded on the 2nd day of the 5th month of the Bhutanese calendar year corresponding to June 9, 2005.

8. Reduction of Bank Interest

The representative of BCCI submitted that although the reduction of interest rates on some loans has greatly benefited the development of the private sector

in the country, the interest rates for the business people were still high. Since overdraft facility is one of the most convenient financial instruments for the business people, a study should be conducted to reduce the 15% overdraft facility along with other loans.

In response, the Minister for Finance informed the house that the responsibility of reducing the bank interest rate is vested with the Royal Monetary Authority (RMA). The Royal Monetary Authority in its report stated that the increase and decrease in the interest rate on loans would be determined by the banking business. He reminded the members that experts have written many banking literatures on the problems of interference by the government or the Assembly in deciding the interest rates. He explained that the interest rates on loans were determined in a manner in which the prices of goods were determined by the market force of demand and supply. If the government fixed the price of goods and services and the interest rates on various loans, it would cause lots of problems in the price structure of the economy and hamper the growth of the financial institutions. The Minister informed that there has been a gradual reduction in the interest rate of loans since 2002.

The Ministry of Finance and the Royal Monetary Authority would continue to study the socio-economic needs and maintain stable monetary system. Therefore, it would be appropriate if the interest rate structuring was carried out according to the financial principles rather than being fixed by the National Assembly.

The National Assembly commending the financial institutions and the Royal Monetary Authority for the works carried out by them, resolved that considering the economic needs of the country, the financial institutions would fix the interest rates on loans based on the competitive market forces without any interference from the government and the National Assembly. The deliberation on the reduction of bank interest concluded on 2nd day of the 5th month of the Bhutanese calendar year corresponding to June 9, 2005.

9. Resurvey of private registered land under forest cover

The people of Geling Geog under Chukha Dzongkhag submitted that the registered private land under forest cover was not surveyed in 2003. According to the Forest and Nature Conservation Act and Land Act, the individuals are not allowed to register their private land once the land is covered by forest. Therefore, the people requested the government to carry out the resurvey of the forested land and consider allotment of Thram to the respective landowners who are dependent on farming for their livelihood.

Some of the members said that during the resurvey exercise, land could not be surveyed because the Gups and Chimis were out of station on official duty. According to the policy of the government, the *Tseri* land remaining fallow for more than 12 years can not be cultivated. This has caused problem to the people of Khenrig Namsum who depend mostly on *Tseri* cultivation. Therefore, the members requested the government to study lands belonging to the people in those areas and facilitate the conversion of *Tseri* into *Kamzhing*.

The Minister for Agriculture informed the house that there were 16 Dzongkhags besides Geleng Geog under Chhukha Dzongkhag where land could not be surveyed. Currently, lands are being re-surveyed under Samdrupjongkhar Dzongkhag. According to the resolution of the 74th Session of the National Assembly and section Ka 3-10 Kha of the Land Act, *Tseri* land, after 12 years will be taken over by the government by compensating the land owners. Therefore, the Department of Survey and Land Records after detailed study has initiated the payment of compensation.

In addition, the Land Act has no clear provisions regarding dry and wet land. This issue has been discussed in the Annual Conference of Renewable Natural Resource and it was decided that a committee of experts would be constituted to study the implications of trees that have grown in both *Pangzhing* and *Tseri* in the country and to the people at large. It was also important to study whether or not the land of the people turned into forest fell under the park areas and prone to flood and landslide risks. The land was not surveyed as per the request of the people because it was not in compliance with the Forest and Nature Conservation Act which causes lots of problems. However, it is hoped that the

Ministry of Agriculture would be able to carry out detailed research and study of such lands to generate substantive results.

The National Assembly resolved that keeping in view the submissions of the people and the assurances given by the Minister for Agriculture, a team of experts would conduct comprehensive study and report in the 84th Session of the National Assembly. The deliberation on the resurvey of registered private land under forest cover concluded on 2nd day of the 5th month of the Bhutanese calendar year corresponding to June 9, 2005.

10. Timber allotment

The people of Trongsa Dzongkhag expressed their appreciation for the allotment of timber for development programmes such as construction of community schools, out-reach clinics and bridges at rural rates and royalty as resolved during the 82nd Session of the National Assembly. However, the people were still facing problems due to delay in obtaining permit and environment clearance. Therefore, the people requested that the authority to approve timber allotment may be accorded to the relevant officials in the Dzongkhags.

In response, the Minister for Agriculture said that with the blessings of Guru Rinpoche and under the wise leadership of our monarchs, Bhutan has become an exemplary nation in forest and nature conservation in the eastern Himalayan region. The award of “Champions of the Earth” medal to His Majesty the King and the Bhutanese people has enhanced the popularity of the country. While it is the policy of the royal government to maintain 60% of the total area under forest cover, the forests cover at present stands at 72%. However, only about 24% of the forest can be used for timber. In 2004, about 7,29,0413 cft of timber was utilized for the renovation of Dzongs and building houses in the villages. If the timber is consumed at this rate for various constructions either by the government or private without taking into any sustainable measures, it is doubtful that the present forest cover can be handed over to our future generations.

As decided in the past, the Ministry of Agriculture has granted approval of 150 timber permit applications received so far. Since timber availability is not equal

in all the Dzongkhags, it was submitted that the authority to grant timber permit be retained with the Ministry as in the past for equitable distribution of timber.

The National Assembly noted that if the authority to grant timber approval is given to the Dzongkhags, problems would arise in the allotment since the forest coverage is not equally distributed in all the Dzongkhags and the environment would also be adversely affected. Therefore, the National Assembly resolved that the authority to grant timber for development purposes will be retained with the Ministry according to the resolution of the 82nd Session but timely approval should be granted without any hindrance. The deliberation on the allotment of timber concluded on 2nd day of the 5th month of the Bhutanese calendar year corresponding to June 9, 2005.

11. Allotment of timber to new and old settlements

The people of Thimphu Dzongkhag submitted that timber should be made available at rural rates and there should be no disparity in the allotment of timber between the new and old settlements falling under one Geog outside the Municipal area.

The Minister for Agriculture and the Minister for Works and Human Settlement said that as per the Forest Act 1995, timber at rural rate will not be granted to the people living in the urban areas. Even in the surrounding areas of town, timber at rural rate is granted only to the old settlements but not to the new settlements. Every year, timber worth 325 million is granted to the rural people as *Kidu* by His Majesty the King. Therefore, the uniformity in granting timber at rural rates to both old and new settlements can not be entertained.

Some of the members submitted that since the new settlements in the town areas paid the same amount of household tax and provided community services in the geogs, it would be beneficial if they were provided timber at rural rate similar to the old households. The members also sought clarification from the government on the allotment of timber at rural rates to the family members of the old settlements if the old settlements got separated and constructed a new house.

The National Assembly resolved that both the new and old settlements within the Municipal area would be governed by the rules and regulations of the Municipal Corporation. However, the Ministry of Agriculture and the Ministry of Works and Human Settlement should jointly study the possibilities of granting timber at rural rates to the new settlements within a radius of 3 km from the township boundaries and submit a draft rules and procedure in the 84th Session. The deliberation on the allotment of timber to new and old settlements concluded on the 2nd day of the 5th month of the Bhutanese calendar year corresponding to June 9, 2005.

12. Strengthening Bhutan-India Border

The people of Thimphu Dzongkhag submitted that the royal government has been making conscientious efforts towards maintaining and strengthening the Bhutan-India border through regular bilateral talks. The people requested that the Assembly should be informed on the progress of the border talks between the two countries.

Some of the members submitted that permanent demarcation of the Bhutan-India border should be carried out particularly when Bhutan enjoyed very close relations and understanding with India. The Trashigang Chimi also submitted that the boundary between Sakteng and Tawang should be demarcated as soon as possible.

The Secretary for International Boundaries informed the house that the boundary demarcation between Bhutan and India was initiated as a result of the 1865 war. The British had demarcated the boundary between Bhutan and West Bengal, Assam, Arunachal Pradesh and Sikkim unilaterally at first and later in consultation with Gongzim Ugyen Dorji.

After the independence of India in 1947, the Royal Government of Bhutan and India decided that as most of the boundary pillars had either been completely destroyed over the passage of time or damaged by floods and other natural calamities, the boundary had to be re-surveyed with appropriate strip maps covering certain limits on both sides of the border and new pillars erected. This task was carried out by Survey of India in conjunction with the surveyors from

the Royal Government of Bhutan which was placed under the control of the Commissioner of Southern Bhutan.

Subsequently, the formal joint demarcation was initiated in 1963. The demarcation of Bhutan-India boundary from Richela to Khaktang La has been completed with 60 strip maps and 358 main pillars leaving out Sikkim and eastern tri-junction. To make the boundary legal, the boundary strip maps have to be signed at the plenipotentiary levels of the two governments. Twenty nine out of sixty boundary strip maps have been signed so far.

The missing boundary pillars between Phuentsholing and Jaigoan towns were revived through relay surveying and maintenance of boundary pillars with a 1.5 meter lane width clearance on either side of the central boundary line in order to avoid future encroachment.

Similarly, to avoid problems of the above nature between the two friendly countries in other sectors along Bhutan-India border, an official level meeting was held in June 2003 in New Delhi. The meeting recommended that relay surveying and maintenance of boundary pillars along the entire border between Bhutan and India based on the already agreed base maps of 1971 and 1972 between the two governments should be carried out. The boundary between Bhutan and Sikkim should also be demarcated based on the BJ Goidl's award which had already been agreed between the two governments. The Royal Government approved the recommendation during the 241st Cabinet Session held on December 19, 2003 and instructed the International Boundaries Secretariat to carry out and complete the boundary activities at the earliest possible.

During the official level talk held in Thimphu in February 2003, 18 out of the remaining 31 strip maps were signed while actions were being taken to sign on the remaining 15 strip maps including 2 strips with Sikkim.

Since the official level meeting of June 2003 held in New Delhi, as of May 2005 five technical level review meetings had been held to monitor the progress of the ongoing activities and to plan for further programmes.

The Secretary for International Boundaries said that the boundary demarcation work with India is progressing smoothly because of the close and cordial relationship between the two countries. It is our target to sign the remaining 15 strip maps by 2007.

Speaking on the issue, His Majesty the King reminded the Assembly that most of the border between Bhutan and India was already demarcated during the reign of late His Majesty Jigme Dorji Wangchuck. From the remaining 15 areas left for demarcation, two areas in Sikkim side, some in the south and about five areas in the east in Arunachal Pradesh had all been discussed with the Government of India although border pillars had not been erected. It should be clearly reflected in the resolution of the National Assembly that the border demarcation should be completed in 2006 and not 2007. As submitted by the members, copies of the remaining 15 strip maps should also be distributed to the members for their understanding and knowledge.

Reiterating the command of His Majesty the King to complete the boundary demarcation activities and the submission made by the Secretary for International Boundaries, the National Assembly resolved that in keeping with the spirit of close relations that exists between Bhutan and India, the boundary demarcation activities should be completed within 2006 after signing the remaining 15 strip maps and fixing the boundary pillars. The discussion on strengthening Bhutan-India border concluded on 3rd day of the 5th month of the Bhutanese calendar year corresponding to June 10, 2005.

13. Handing over of Wangchuklo Dzong

The people's representatives of Haa District submitted that Haa was the only Dzongkhag out of the 20 Districts of Bhutan that did not have a Dzong and that the Dzongkhag Administration being located next to the town was inconvenient and problematic for the people and the administration. The Wangchuk Lo Dzong which was overlooked by the three sacred hills of the Haa Valley had been blessed as the traditional seat of Haa Dzongkhag. They requested the National Assembly to pass a decision for the Dzong to be handed back to the people of Haa.

People's representatives from Bumthang, Wangduephodrang, Punakha, Chukha and Samtse districts, and the Deputy Speaker who is also the representative of the Bhutan Chamber of Commerce and Industry spoke in support of the request made by the people's representatives of Haa. They said that the Wangchuk Lo Dzong had been given for the Military School for a period of 15 years and more than 40 years had now gone by. The issue of handing the Dzong back to the people of Haa had been raised many times in the past during the 28th, 52nd, 61st, 67th and 68th sessions of the National Assembly but no decision had been passed for the Dzong to be given back to the people. The people's representatives pointed out that all Dzongkhags had a Dzong as the centre of administration except Haa. They said that it was not auspicious for a Dzongkhag not to have a Dzong as the seat of administration. The Wangchuk Lo Dzong was an old and sacred Dzong and it should now be given back to the people of Haa.

The people's representatives acknowledged that the Dzong was given as part of the Military School when IMTRAT was asked to help train and build the Royal Bhutan Army. However, many years had now gone by and, with the help given by IMTRAT, the Bhutan Army was now a well trained force capable of conducting all the required trainings for the Bhutanese armed forces. Pointing out that the relationship between India and Bhutan was like the bond between a father and a son and very close and harmonious like milk and water, the people's representatives said that IMTRAT would understand the wishes and sentimental attachment of the people of Haa to have the Wangchuk Lo Dzong given to them as the traditional seat of administration for their district.

Speaking on behalf of the Royal Bhutan Army, Brig. Bato Tshering reminded the members that during the 68th Session of the National Assembly, the Assembly members visited the Wangchuk Lo Dzong Military School and observed the training facilities and their importance to the Royal Bhutan Army and also the difficulties faced by the people of Haa regarding the Dzong. After much deliberation, it had been decided that in view of the importance of the Wangchuk Lo Dzong Military School for the training of the Royal Bhutan Army and the Royal Body Guards, the Dratshang would take charge of the Dzong to revive and maintain the traditional religious practices while the Dzongkhag Administration and Rabdey would be retained at their present locations. He informed the members that while most of the training and cadres for the Royal

Bhutan Army were conducted at the Military Training Centre at Wangduephodrang, the Military School at Haa organized and provided important pre-course training for officers and staff at various levels prior to their departure for training in India so that they perform well in the various specialized courses. He pointed out that if the Dzong were to be handed over it would entail tremendous additional expenditure and cause big problems for the training programmes of the Royal Bhutan Army. He informed the members that the Royal Bhutan Army was already faced with a huge budgetary requirement to re-construct and improve the army camps in the north where all the houses were semi-permanent constructions carried out in the 1960s and early 1970s and were now beyond repair. A new army camp was also under construction in Sipsu Sub-District to meet the emerging security threat perception in view of the nexus between the Maoists and the ngolops in the refugee camps in eastern Nepal. The RBA Headquarters had already received a Kasho from His Majesty the King to carry out constructions in all the Wings where the houses were beyond repair like in Wing 1 in Tendu, Wing 2 in Damthang, Wing 5 in Paro Shabisa, Wing 6 in Wangduphodrang and in the RBG camp in Dechencholing. If the Wangchuk Lo Dzong were to be handed over a new office complex would have to be built. This would require more funds when the Royal Bhutan Army was already facing big budgetary difficulties for re-constructing the old army camps in the northern wings and a new army camp in Sipsu.

He also reminded the members that in 1962, when the Royal Government of Bhutan felt the immediate requirement of raising and training an efficient army to defend the security and sovereignty of the country, adequate number of qualified students were not available to undergo the officers cadet training at the Indian Military Academy in India and a Military School was established at Haa in 1962 with the assistance of the Indian Army. Haa Wangchuk Lo Dzong and the surrounding areas were made available for establishing the Military School on a priority basis as required by the emergency situation at the time.

Brig. Batoo Tshering pointed out that the Wangchuk Lo Dzong and the training complex of the Military School at Haa belonged to the Royal Bhutan Army and that IMTRAT was here to only render assistance to the Royal Bhutan Army. He also informed the members that the officers of the Royal Bhutan Army received the same quality of training and courses which were being conducted for the

Indian Army Officers in the various Institutions in India and they were equally competent in imparting the requisite level of training and courses to officers and men of the Bhutanese armed forces. He pointed out that the presence of IMTRAT in Haa was not only to impart training to Bhutanese officers and men but also to coordinate the logistic support and assistance provided by the Government of India to the Royal Bhutan Army. It was normal practice for any donor to be present to coordinate the utilization of the assistance provided. The Royal Bhutan Army was very appreciative of the unfailing and valuable assistance extended by the Indian Army and the Government of India.

Brig. Bato Tshering pointed out that in view of all the reasons given, it was not feasible for the Royal Bhutan Army to hand over the Wangchuk Lo Dzong and requested the National Assembly that the Dzong may be retained with the Military School to meet the specialized training requirements of the Royal Bhutan Army.

The People's representatives from Haa and Punakha and the Deputy Speaker expressed their appreciation for the clarifications given by Brig. Bato Tshering but continued to reiterate their request for the Wangchuk Lo Dzong to be handed over to the people of Haa. They expressed deep appreciation for the generous assistance extended by the Indian army in training and building up the Royal Bhutan Army and said that the Bhutanese army was now capable of conducting all its in-country training courses. They realized that the budgetary problems faced by the Royal Bhutan Army, as explained by Brig. Bato Tshering, was a genuine problem. It did not feel right that while there was a Dzongda sent by the government to administer the district, there was no Dzong as the seat of administration in Haa, unlike in all the other Dzongkhags. The people's representatives continued to request for the handing over of the Dzong to the people of Haa on these grounds.

The Speaker acknowledged that the issue had been raised many times in the past sessions of the National Assembly. However, the Royal Bhutan Army was not in a position to spare funds to build a complex to replace the Wangchuk Lo Dzong at a time when a new army camp had to be built in the south to meet emerging security needs and constructions had to be carried out in the northern wings for

which there were large budgetary requirements. Therefore, it was necessary for the Dzong to be retained by the Royal Bhutan Army for the time being.

Speaking on the issue, His Majesty the King said that, although it was not appropriate to mention it in the house when there were many spectators in the public gallery, it was necessary for the members of the house to know that His Majesty had recently discussed the issue of the Wangchuk Lo Dzong with a senior Indian Army official as it was on the agenda of this Assembly session. His Majesty informed the members that the Indian Army officials had said that there was no problem for IMTRAT to move out of the Dzong so long as another complex was established where they could move in. On inquiring about the cost of establishing a new complex as replacement for the Wangchuk Lo Dzong it was found that the financial implications would be very large. His Majesty said that it had, therefore, been decided that instead of constructing a new complex to replace the Wangchuk Lo Dzong, the money would be much better utilized if reconstructions and improvement in the old Wings in the North and construction of the new army camp in Sipsu were carried out. His Majesty also reminded the Assembly that the Wangchuk Lo Dzong and all the land in the training complex of the Military School at Haa belonged to the Royal Bhutan Army. Therefore, the Assembly members should not have any reservations or misgivings over the Wangchuk Lo Dzong being used by the IMTRAT.

The National Assembly decided that the Wangchuk Lo Dzong would be retained with the Royal Bhutan Army for the time being until funds were available and it would be feasible for the Dzong to be handed over to the people of Haa. The discussion on Handing over of Haa Wangchuk Lo Dzong concluded on 3rd day of the 5th month of the Bhutanese calendar year corresponding to June 10, 2005.

14. Private sector Development Policy

The Bhutan Chamber of Commerce and Industry (BCCI) submitted that under the wise and farsighted leadership of His Majesty the King, unprecedented development has taken place in the private sector. While the government has always accorded importance to the development of the private sector, tangible results are not evident due to lack of specific policy guidelines and planned budget allocations. With the economic development, it would be highly

advantageous if the responsibilities and procedures are reinforced and strengthened to develop the private sector without which the economy would suffer. Therefore, a committee comprising of members from both the government and the private sector under the Chairmanship of one of the ministers should be formed to formulate policies, plans and allocation of budget for the development of the private sector.

During the deliberation, some of the members submitted that the private sector supported by sound policies and system is the backbone of the socio-economic development of the country. If the private sector is not developed, the revenue generation in the country would also remain low. Therefore, it is imperative to formulate effective rules and regulations for the development of private sectors to generate employment opportunities to the youths. The practice of hiring and firing of the employees by the proprietors at their whims and fancies has done more harm than good to the youths. Since the youths getting into the job market is increasing year by year, a strong legislation should be in place to govern the employment in the private sector. Considering the current situation, it would be appreciable if greater impetus is accorded to the sustainable development of private sector more than investing on the education of the youths. At a time, when His Majesty the King is according impetus in providing equal opportunities to all the Bhutanese people to realize the vision of Gross National Happiness, it is crucial that a comprehensive private sector development policy should be in place.

In response, the Minister for Trade and Industry said that the development of private sector is crucial to increase the revenue of the country and to provide employment opportunities to the people. The Ministry is also receiving requests for formulating proper rules and regulations for private sector development. Currently, about 12,000 business licenses, 15,000 construction and industry licenses, 179 tourism licenses have been issued. In the past year, 69 small scale industrial licenses have been issued and a total of Nu.1,900 million was invested for the private sector. As far as the policy and regulations relating to private sector development and its sustainability is concerned, there were about 10 Acts and 18 Rules and Regulations formulated by various ministries to help private sector.

One of the main problems faced by the private sector is the shortage of suitable land for the industrial estate. Apart from the 260 acre industrial estate in Pasakha, 1,500 acres in Jigmeling in Sarpang, 560 acres in Samtse and 100 acres in Samdrupjongkhar has already been identified by the government. Although it has been agreed that industries would be set up, it was deferred for the time being because a detailed study was essential to avoid inconveniences in the future. As an incentive to the development of the private sector, the government was giving three-year tax holiday for the newly established industries, seven years for hotels and schools and seven-year tax holiday for industries established in the interior of the country. The government is also promoting small scale and medium businesses by providing mortgage free interest loans to the youths and other entrepreneurs to start business and any losses incurred was shared by the financial institution and the government. The Minister explained that not all applications for industrial licenses were approved because electricity is cheap in the country and the industries require huge power supply which may affect internal consumption in winter.

The Minister said that fronting in business is a major problem that the government is facing today. The contractors should be aware of the future implications caused by fronting. It is the responsibility of the BCCI to take stringent measures to stop such activities. As submitted by the members, a committee consisting of representatives from the concerned ministries and BCCI will be formed for private sector development.

Some of the members submitted that it was important to have one single Act for strengthening and development of private sector. The private sector development committee should comprise of members from both the big and small industries. While many years have gone by since the establishment of BCCI in the country, the private sector has not been able to generate substantial revenue for the government. Therefore, tax revenue should be enhanced through the establishment of industries and not by increasing the tax upon the current tax.

The Speaker informed that private sector is the engine of growth for the economy of any country in the world. His Majesty the King while granting an audience to the private entrepreneurs had said that the main source of revenue for the government will come from the private sector. Therefore, the

development of private sector is very crucial. The Chamber of Commerce and Industry should strive to make the private sector able to generate revenue for the government. The Speaker informed the house that His Majesty the King has also directed the Council of Ministers to embark on the path of private sector development on a priority basis. It was important to constitute a committee comprising of members from the Ministry of Labour and Human Resources, Ministry of Trade and Industry, Ministry of Works and Human Settlement and the Finance Ministry to strengthen private sector development.

Since the private sector is the engine of growth for the economy, the National Assembly resolved that a high level committee comprising of Secretaries from the Ministry of Works and Human Settlement, Labour and Human Resources, Finance and Trade and Industry to be chaired by a Minister would be established well before the 84th Session of the National Assembly. The deliberation on private sector development policy concluded on 3rd day of the 5th month of the Bhutanese calendar year corresponding to June 10, 2005.

15. Request for Satellite towns

The people of Trongsa Dzongkhag submitted that Tashiling, Kuengarabten and Langthel are populous places with 15 small shops. Since the people of these places had to travel to Trongsa for their business, the people requested for the establishment of satellite towns in the above places for the development of private sector and for the benefit of the people at large.

Deliberating on the issue, members submitted that it was important to establish satellite towns in the 20 Dzongkhags and also formulate strict rules to check migration of people from rural areas to urban centers.

Responding to the submission, the Minister for Works and Human Settlements said that the submission of the people and the approach of the government were similar. When the urban areas were developed systematically, it has to be equipped with adequate infrastructure. There were 54 urban centers identified in the country and according to the 2001 population census, 21% of the total population is living in the towns. Bhutan 2020 document estimates that by the year 2020, 50% of the country's population will be living in urban areas. He

added that before towns are established, the area has to be thoroughly studied of its potential benefit to the people, businesses, identify funding sources for the development of urban infrastructure and the effect on the environment. There is also the need to design urbanization strategy to execute the programmes. The Ministry of Works and Human Settlement has initiated the preparation of an Urbanization Strategy with assistance from the Cities Alliance under the co-sponsorship of World Bank, United Nations Environmental Programme and Denmark. He added that the assessment of standardizing urban development and its establishment is in progress.

The National Assembly concluded that although it is a prerequisite to establish satellite towns in the Dzongkhags, it should not be solely based on the area but it was important to study its potential benefits to the people and the country at large. As submitted by the Minister for Works and Human Settlement, the National Assembly resolved that the development of existing townships and the establishment of new townships would be carried out once the feasibility study was completed in all the 20 Dzongkhags. The issue on request for satellite towns concluded on 3rd day of the 5th month of the Bhutanese calendar year corresponding to June 10, 2005.

16. Board members of Thimphu Municipality

The Thimphu Municipality submitted that the 81st Session of the National Assembly resolved to increase the board members in the Thimphu Municipality by six more members in addition to the existing nine members, who were elected as per the Municipality Act. The Ministry has directly appointed seven officials from the government without an election. Since the direct appointment of the members violated the procedures enshrined in the Act, the Thimphu Municipality requested that the people from the business community should be allowed to elect the members.

Deliberating on the issue, the Minister for Works and Human Settlement said that there are many inconveniences in electing the members as per the Municipality Act of Bhutan 1999. While the amendment of the Municipal Act was submitted during the 81st Session, it was deferred in the light of drafting of an Election Act not before too long and instead mandated the Lhengye

Zhungtshog to solve the election problems for the time being. Further, with the endorsement of the Constitution and the Election Act, the present election procedures will be redundant. Therefore, the election procedures for the municipality board members should be retained as before. The 81st Session of the National Assembly increased the Thimphu Municipality board members by six more members adding up to a total of fifteen members. As per the Municipality Act, the responsibility of appointing board members was mandated to the Ministry. The Ministry, with reference to section XI and section XVIII of the Municipality Act and with the decision of the 242nd Lhengye Zhungtshog, Thimphu town was divided into eight constituencies. Eight members with registered census and residing in the town for five years were elected as the members of the municipality board. In addition, the Ministry had appointed seven members.

The National Assembly resolved that with the enactment of the Constitution and the Election Act, the present election procedures will be redundant. Therefore, the election of the members of the Municipality would be conducted as per the current practice for the time being. The deliberation on board members to Thimphu Municipality concluded on 3rd day of the 5th month of the Bhutanese calendar year corresponding to June 10, 2005.

17. Tenure of standing committee of the National Assembly

The Chairman of the Legislative Committee requested that the provision in the Committees' Act relating to the one year tenure and election of the members by the National Assembly need to be reviewed and amended as inconveniences was being faced during its implementation.

Deliberating on the issue, many members said that after availing training and gaining experience on the functional responsibilities of the committee for one year, the committee members have to be again elected as per the Committees' Act. This procedure has affected the smooth and efficient functioning of the committee. The election of the committee members on an annual basis is not only time consuming but it is also doubtful as to whether capable members would be elected to the committee. Therefore, it was requested that the provision

on the tenure of the committee members in the Standing Committee of the National Assembly should be amended.

Likewise, some members said that it would be convenient if the authority to appoint members after completion of their one year tenure is vested in the Speaker and also that the tenure of the committee members should be at par with the tenure of their membership in the National Assembly instead of one year tenure as specified in the Committees' Act.

The Speaker reminded the members that during the deliberation on the Committees' Act in the 82nd Session, the members had submitted their concern that if the authority to appoint members of the Standing Committees was vested in the Speaker, it might lead to the appointment of members based on favoritism and not on the capability of the members.

The members said that the nominees for the Standing Committees received from the Dzongkhags would be elected by consensus and not through secret ballot. Though the provision in the Act specified that the total number of committee members would be between five to seven members, there are only five members in the committees at the moment. In the event, two members were unable to attend a committee meeting due to unavoidable circumstances, the meeting could not convene. There was also no procedure to appoint new committee members when the tenure of a member in the National Assembly expired prior to convening a Session. Therefore, there were practical inconveniences faced by the Standing Committees.

The National Assembly resolved that the tenure of the committee members will be valid till the expiry of their individual term of membership in the National Assembly instead of one year. Further, the members to the Standing committees will be appointed through consensus based on the nominations received from the 20 Dzongkhags as per specified procedures. In the event of any misfortune or expiry of a member's term of membership in the National Assembly, the Speaker will appoint a member from amongst the nominations received from the twenty Dzongkhags and report in the National Assembly for endorsement. The deliberation on the tenure of Standing Committee of the National Assembly

concluded on the 6th day of the 5th month of the Bhutanese calendar corresponding year to June 13, 2005.

18. Recognition of *Lams* and *Truelkus*

The people of Bumthang, Chukha and Punakha Dzongkhags expressed their concern regarding the recognition of many *Truelkus* in the country. Today the process of recognizing reincarnates had degenerated with *Tsips*, *Pawos* and *Pawmos* recognizing *Lams* and *Truelkus*. Moreover, *Truelkus* born in Bhutan have also been recognized by outsiders. If this practice is continued, the people anticipate problems in the future in preserving and promoting our age old religious and cultural heritage. Although, the procedures for recognition of foreign *Lams* and *Truelkus* born in Bhutan was decided in the 30th Session of the Assembly, this decision has not been implemented. The authority to permit foreign *Truelkus* to reside in the country is vested with His Majesty the King only. The people requested for a briefing on the procedures governing issuance of residential permits to the *Truelkus*.

During the deliberation on this issue, some of the members submitted that the Bhutanese people are very fortunate to be born in a country blessed with many sacred places and religious personalities. In the past, reincarnates were recognized by learned and accomplished *Lams* while some could remember their past lives at a young age. Today, with the changing times, the recognition of *Lams* and *Truelkus* could be dictated by power, wealth, coercion and fraud which would, therefore misguide the general public. The members submitted that the *Lams* and *Truelkus* recognized by the learned and accomplished *Lams* should be given the necessary education and upbringing. Therefore, it is imperative to have strict procedures in place governing their place of residence either in the old rightful monasteries or in the new one and provide them education and upbringing in accordance with the procedures of the Dratshang.

Similarly, some of the members submitted that the 30th Session of the Assembly deliberated on the recognition of outside *Lams* and *Truelkus* born in Bhutan but did not mention the procedures for the recognition of Bhutanese *Lams* and *Truelkus* born in Bhutan. The people expressed their concern on the implementation of the announcement of Dratshang Lhengtshog in 1993

regarding any *Kachoe* and *Wanglung* to be administered by *Lam* and *Truelku* from outside on approval sought through the respective Dzongkhags.

The members suggested that a *Tshogpa* consisting of representatives from the government, the Dratshang Lhengtshog, Dzongdas, DYT Chairman and GYT Chairman should be formed to formalize the recognition of *Lams* and *Truelkus* in the country. The member enquired whether a list of present *Lams* and *Truelkus*, and the *Lams* who recognized them was available. They also submitted that *Lams* and *Truelkus* aged 30 to 40 are recognized and in order to prevent such practices, a set of procedures or a bill must be put in place.

In addition, the members submitted that it was a disappointment to notice that *Lams* and *Truelkus* performing *Wangs* and other religious activities had a parasol over their head because only Lam Shabdrung Khamsum Zelnem, Druk Chogyel Rinpochey and Je Khenpo were entitled to a parasol. It was also important that the *Lams* should wear the approved monk apparel instead of apparel of different colours. It was also important that Bhutanese *Lams* and *Truelkus* should be stopped from going outside the country to study because we have not yet studied the future implications and benefits to the country. The members also suggested that the Ministry of Home and Culture Affairs, Special Commission for Cultural Affairs and the Dratshang should together draft a bill on the recognition of *Lams* and *Truelkus* and submit it in the next Session.

The Minister for Home and Culture Affairs said that the resolution of the 30th Session of the National Assembly clearly stated that reincarnation issues pertaining to the outside *Lams* and *Truelkus* born in Bhutan would be dealt in accordance with the Citizenship Act. The resolution of the 1969 National Assembly was not clear on the procedures regarding Bhutanese *Lams* and *Truelkus* born in or outside Bhutan. The Dratshang was in a better position to understand the procedures of recognizing *Truelkus*, taking care of them and their education, and installing them in their rightful monasteries. The government would always support the Dratshang in its actions. Since the Bhutanese pilgrims are also free to visit holy sites in India and other countries, the government issued passports to only bonafide Bhutanese. The authority to approve visa and permits to non-Bhutanese *Lams* and *Truelkus* is vested in His Majesty the King and therefore, it would be dealt accordingly.

Similarly, permission to *Lams* coming to Bhutan to perform *Wangs* and other religious activities were sought by the concerned Dzongkhags. Once the permission was granted, the government made sure that proper measures were taken for the safety of the large crowds gathered to receive blessings by soliciting the support from the Royal Bhutan Police and making other logistic arrangements.

The Dorji Lupon said that the *Lams* and *Truelkus* are born for the benefits of the sentient beings. While there are many ways of recognizing the *Lams* and *Truelkus*, he cited one Tibetan example of recognition procedure of *Lams* and *Truelkus* where the name of the candidates are put in *Zenril* and placed in front of sacred relics and prayers were conducted over several days to recognize *Lams* and *Truelkus*.

Likewise, similar practices are observed in the Dratshang. Those *Lams* and *Truelkus* who relate and refer to Dratshang are not only recognized in the same manner but they were given necessary education and upbringing. While there are different types of *Truelkus*, it is important to consider *Truelkus* who can recognize the religious relics of previous lives and possessing intrinsic intelligence.

It is important that an appropriate procedure to recognize *Lams* and *Truelkus* is formulated by a committee consisting of representatives from Dratshang, royal government and the people. Any *Lam* and *Truelku* recognized thereof shall be taken care of them by the Dratshang. He also expressed the doubts on this issue as to what problems may arise when the Constitution is launched.

Summing up the discussions, the National Assembly noted that the resolution of the 30th Session of the National Assembly held in 1969 would be followed on the recognition of *Lams* and *Truelkus* from outside and in the absence of a comprehensive and clear procedures for recognizing *Truelkus* born in Bhutan, a five member committee comprising of one of the Lopons from Dratshang, Secretary of Home and Culture Affairs, Secretary of Dratshang Lhengtshog, Royal Advisory Council and a Nyingmapa *Lam* presently residing in the country would be formed as proposed by the members. The *Truelku* shall be recognized at the age of three to five years whereas the outside *Lams* and *Truelkus* shall be

recognized according to the decision of the 30th Session of the Assembly. A list of *Lams* and *Truelkus* recognized so far in the country would be submitted to the Ministry of Home and Culture Affairs by the Dzongkhag Administrations. According to the existing rules, *Lams* and *Truelkus* from other countries were allowed to visit Bhutan on pilgrimage but they would have to return when their permits expired without any extension. Henceforth, recognition of *Lams* and *Truelkus* would be carried out as per rules and procedures of the government and non-compliance of the rules and the resolution of the National Assembly would result in non-recognition of the *Lams* and *Truelkus*. The deliberation on the recognition of *Lams* and *Truelkus* concluded on the 6th day of the 5th month corresponding to the Bhutanese calendar year corresponding to June 13, 2005.

19. Issue on Census

The people of Samtse Dzongkhag expressed their concern regarding people who had voluntarily emigrated from the country in the early 1990s after selling their landed properties. Some of these people and others categorized in form 7 were still living in the country. There are also people who were married before their parents emigrated but were listed in the emigrant list. Such people are still living in the country with their spouses without any census records. Some people listed in the emigrant list, instead of leaving the country are claiming that their census has been dropped out. There are also people who left the country in the early 1990s but returned and are still working in Thimphu and other Dzongkhags. Moreover, the people living in the country illegally are increasing every year which would pose threat to the security in the future. Therefore, the people requested the government to take prompt and necessary actions on the census issue in southern Dzongkhags.

Some of the members submitted that many people in southern Bhutan revolted against the *Tsa-Wa-Sum* in 1991 and voluntarily emigrated from the country after disposing off their landed properties on their own free will. However, many of them are still living in the country either working in Thimphu or at the road sites as labourers on temporary basis. Therefore, the concerned Departments and agencies employing such people should be penalized as per the Citizenship Act. It is imperative to establish a system to maintain a strict vigilance on the

movement of unknown people in the bigger municipal areas and Dzongkhags otherwise it would pose a big problem in the future.

In response, the Minister for Home and Culture Affairs said that the bitter memories of the incidence in the south in 1990 are still vivid in the minds of the Bhutanese people. The submission on such a vital issue for the welfare, security and sovereignty of the country by the people from southern Dzongkhags is greatly appreciated. In order to streamline and strengthen the census and citizenship of the country, the then Department of Immigration and Census has been bifurcated into Department of Immigration and Department of Civil Registration & Census. This initiative would meet the aspirations of the people and the country.

Similarly, although the royal government has employed experienced and capable persons, it may not be possible to maintain illegal immigrant free situation in the country as even the developed countries have not been able to come up with suitable methods to curb illegal immigrants despite adoption of several strict measures.

The children of those parents without census were not able to pursue further studies and get employment because of the Ministry's strict adherence to the laws. It is difficult to change and transfer census of non-Bhutanese no matter whatever methods they try to manipulate. There is no practice of granting citizenship to the non-Bhutanese who have entered into the country through fraud.

The National Assembly reminded that as all the Bhutanese were aware of the problems of 1990, it is important to bear in mind of the incidence for all times to come. The Assembly appreciated the submission of such a vital issue in the interest of the country. The National Assembly decided that the census issue must be settled as soon as possible based on the policy of the government and the immigration rules and regulations of the country. The deliberation on the issue of census concluded on 6th day of the 5th Month of Bhutanese calendar year corresponding to June 13, 2005.

20. Shifting of Dzongkhag Administration to Gelephu

As resolved during the 82nd Session of the National Assembly, the Ministry of Home and Culture Affairs was to study the feasibility of shifting the Dzongkhag Administration from Sarpang to Gelephu and submit a report in the 83rd Session. The people of Sarpang Dzongkhag therefore requested the Ministry of Home and Culture Affairs to brief the Assembly on the issue.

The Minister for Home and Culture Affairs said that according to resolution XV (7) of the 82nd Session, study was carried out by the Ministry on the feasibility of shifting the Dzongkhag Headquarter from Sarpang to Gelephu. The study found that in the past, the Zonal Administration and the Dzongkhag Administration offices were located in Sarpang. However, the Dzongkhag was shifted to Gelephu in 1976 and Zonal Administration office was also shifted to Gelephu in 1989. For the smooth and effective functioning of the Dzongkhag Administration and Zonal Administration, the Dzongkhag was again shifted to Sarpang.

The Minister said that it would be appropriate to retain Dzongkhag Administration at Sarpang firstly, if the Dzongkhag Administration is located in Sarpang, the future expansion would not entail heavy expenditure. Secondly, a Thrompon would be appointed in Gelephu. Thirdly, the population of Gelephu would increase. Fourthly, with the increasing demographic change, Sarpang Dzongkhag may not be developed at par with other Dzongkhags. Fifthly, Gelephu town would naturally develop due to Punatsangchu hydropower project. Sixthly, Gelephu is located near the border. Seventhly, if the Dzongkhag Administration is located away from the town, it would be convenient for the government to execute its functions and lastly both the towns at Sarpang and Gelephu would gradually merge. Although, it is appropriate to shift the Dzongkhag Administration to Gelephu in view of the population, the establishment of Dratshang and the construction of International Airport, it would be better to retain the Dzongkhag Administration in Sarpang as per the policy of the royal government.

Supporting the submission made by the people, the Sarpang Dzongda said that the people made this submission because of the business prospects due to the

establishment of offices of the different departments and the proposed airport. Moreover, Gelephu is spacious for construction of new Dzong in the future. Nevertheless, it could be decided as per the policy and plans of the government.

The National Assembly noted the submission made by the Minister for Home and Culture Affairs that the population in Gelephu town would increase while Sarpang Dzongkhag would be neglected without any developmental activities unlike other Dzongkhags. This would not enable the royal government to achieve the policy of balanced regional development. Therefore, the National Assembly resolved that the Dzongkhag Administration office would be retained in Sarpang. The deliberation on the shifting of Dzongkhag Administration to Gelephu concluded on the 7th day of the 5th month of the Bhutanese calendar year corresponding to June 14, 2005.

21. Official residence for the elected leaders

The people of Punakha Dzongkhag submitted that at present there is no problem of accommodation for the elected ministers. However, once the Constitution is enacted in the future, such facilities would be required for all the elected leaders. Considering the security issue, it would be appropriate if residential quarters for elected leaders were constructed in a particular area though it may involve huge financial burden to the government. After the Constitution is enacted, the members of the National Council, the National Assembly and the Standing Committees will face accommodation problem. Therefore, it is important that government quarters be constructed for the elected leaders.

During the deliberation on the issue, the Minister for Works and Human Settlement said that with the enactment of the Constitution, the members of the National Council and the National Assembly would have to frequently travel to Thimphu on official works. The government is also aware of the accommodation problem being faced by the Standing Committee members, the elected members, ministers and judges. Recognizing the need for accommodation and in view of the issue being discussed when the master plan for the Thimphu township was formulated, the City Corporation was directed to identify an area for the construction of residential buildings for the elected members.

Although the area has been identified, the government is not in a position to immediately start the construction due to financial constraints. The Speaker had recently visited India on invitation from the Government of India and discussed this matter with the Indian officials. The Government of India has assured to provide financial assistance for the construction of residential buildings for the members of the National Council and the National Assembly.

The Speaker together with the Ministry of Works and Human Settlement would decide the site identified by the City Corporation for the construction. Once the site is finalized, the plans, architectural drawings and the financial estimates would be prepared and construction would start as soon as the Government of India provides financial assistance. Similarly, plans to construct accommodation for judges and the ministers are also under consideration as there are no separate accommodations for them.

The Speaker informed the members that on the invitation of the Government of India, he visited New Delhi and met the Speaker, the Deputy Speaker and senior officials of Government of India. The Government of India has assured to provide financial assistance for the construction of residential quarters for the members of the National Council and the National Assembly. The National Assembly, the Ministry of Works and Human Settlement and the City Corporation have already identified the site at Taba which has been submitted to His Majesty the King for approval. The preparatory works would commence on receiving the approval from His Majesty the King and the construction will start as soon as the funds were made available by the Government of India before the enactment of the Constitution.

The National Assembly resolved that the royal government will formulate necessary plans and start the construction works as soon as possible. The deliberation on official residence for elected leaders concluded on 7th day of the 5th month of Bhutanese calendar year corresponding to June 14, 2005.

22. Destruction by wild elephants

The people of Sipsu Drungkhag under Samtse Dzongkhag submitted that they were facing the problem of wild elephants destroying their crops. The wild

elephants have not only damaged their crops and orchards but also destroyed houses with some cases of deaths and injuries. Despite the efforts of the Department of Forest, the Dzongkhag, the community leaders and the people to contain this problem through various means, this problem is still rampant. Despite the clearing of the forests along the fields, the problem could not be contained because the land was not cultivated. Therefore, the people requested the government to take necessary measures to remove this problem at the earliest possible.

Supporting the submission, some members said that it will greatly benefit the people if a resettlement programme at Samrang under Samdrup Jongkhar and Panbhang Dungkhag is initiated by the royal government at the earliest possible. As the experiment of electric fencing had greatly benefited the farmers in preventing attacks from wild elephants, members requested the Ministry of Finance to support electric fencing in the affected Dzongkhags.

The Minister for Agriculture said that His Majesty the King was aware and concerned about the plight of the people and had commanded for the use of *kuchu* crackers and other methods. The government is experimenting different methods to find a lasting solution to this problem. The experience of the people of Lhamoizingkha on the use of electric fencing through their own initiatives and funding has been shared with the Ministry of Agriculture and similar experiment was carried out at Chuzargang and Umling in Gelephu Dungkhag. Considering the benefit of electric fencing, other Dzongkhags in the region are also ready to adopt this method provided funds were available. Further, a study and research result published in the Indian newspapers will be adopted to track the movements of wild elephants within the country and find suitable measures to prevent destruction by wild elephants.

The National Assembly resolved that this issue should be discussed by the Council of Ministers and suitable measures adopted as soon as possible to prevent the problem of wild elephants since the elephants not only destroyed the crops but also damaged houses and attacked people. The deliberation on destruction by wild elephants concluded on the 7th day of the 5th month of the Bhutanese calendar year corresponding to June 14, 2005.

23. Transfer of land below minimum plot size in urban areas.

The Minister for Works and Human Settlements submitted that the transfer of land below minimum plot size resulted in encroachment of government land and illegal construction. According to the Bhutan Municipal Act 1999 and Urban Area and Property Regulations 2003, transfer of land below the minimum plot size in urban areas is not entertained. However, the land owners approached the court and got clearance creating innumerable problems to the City Corporation. The court seems to issue orders for such transfers based on the resolution no. 24 passed in the 81st Session. Since this resolution is contradictory to the provisions of the Municipal Act of Bhutan 1999 and Urban Area and Property Regulations 2003, the said resolution should be amended.

Some of the members said that the people would face problems if the transfer of land below the minimum plot size is not permitted. The procedure for the inheritance of land would also be affected. Therefore, the resolution passed in the 81st Session should be retained. The members also submitted that since the Municipal Act contained provisions restricting construction, the land for both the buyer and the seller is rendered useless if it did not meet the required plot size for construction. Therefore, the people should be allowed to purchase the adjacent government land to meet the requirement of plot size. In case, there is no government land in the surrounding area, the government could take over the private land and provide compensation or give substitute land accordingly.

The National Assembly decided that the resolution of the 81st Session on the transfer of Thram below the minimum plot size in the urban areas would be retained without amendment. The construction of houses in the urban areas should be strictly dealt in accordance with the Municipal Act of Bhutan. Further, a committee comprising members from the Ministry of Works and Human Settlement and the City Corporation should be constituted to look into the possibilities of allowing the land owners owning land below the minimum plot size to club their land or allowing them to purchase the government land and submit a report in the 84th Session. The deliberation on the transfer of land below minimum plot size in urban areas concluded on the 7th day of the 5th month of the Bhutanese year calendar corresponding to June 14, 2005.

24. Transfer of Land

The people of Haa Dzongkhag submitted that although all land holdings of the public of Sama and Uesu geogs were under Haa Dzongkhag during the land survey in 1988-89, the Thrams were recorded under Samtse Dzongkhag. Therefore, the people submitted that Thrams recorded under Samtse Dzongkhag should be transferred back to Haa Dzongkhag because the people in these two geogs are facing problems in availing developmental services from either Dzongkhags.

During the deliberation on the issue, some of the members submitted that although the maintenance of road and bridges including a Lhakhang at Rangotakshing is carried out by Haa Dzongkhag, the Thram of this area is registered under Samtse Dzongkhag. The household and *Tsamdro* tax are paid to Haa Dzongkhag. Moreover, the Sama and Uesu geogs were nearer to Haa Dzongkhag than Samtse. Therefore, this has caused inconvenience between the two Dzongkhags and the concerned people.

The Minister for Agriculture informed that inclusion of Uesu and Sama geogs under Samtse Dzongkhag was discussed in the 52nd, 53rd and the 70th Sessions of the National Assembly. The Minister pointed out that if the Dzongkhag was far away from a particular Geog, it had to be included into the nearer Dzongkhag to provide efficient services and development activities. It was reported that about 93 *Sathrams* were not transferred during the 1988 land survey. However, the *Sathrams* of the Sama and Uesu geogs were transferred under Samtse Dzongkhag in 2002 as per the resolution of the Assembly and the notification of the Ministry for Home and Culture Affairs.

Similarly, the Samtse Dzongda said that although Samtse is the main business hub for the people of Mo-Chhu village, it would be convenient to include the area above Mo-Chhu under Haa Dzongkhag. He suggested that this issue may be reviewed by the Council of Ministers and a report submitted in the National Assembly.

The National Assembly resolved that the Ministry of Agriculture, Haa Dzongkhag and Samtse Dzongkhag would study this issue and submit a report in

the next session of the Assembly. The deliberation on the transfer of Thram concluded on 7th day of the 5th month of Bhutanese calendar year corresponding to June 14, 2005.

25. Urban Land Compensation and Substitute

The Ministry of Works and Human Settlement submitted that as per the resolution of the 82nd Session, a committee comprising of members from the Ministry of Works and Human Settlement, Ministry of Agriculture, Ministry of Finance, Department of Survey and Land Records, Thimphu Municipality and Thimphu Throm was constituted to review the procedure for land compensation and substitution. The committee had found contradiction on land substitution between clause 2(c) of the Land Compensation Rate of 1996 and provision Ka 6.9 (b) of the Land Act 1979. Section 2(c) of the Land Compensation Rate 1996 stated that the land owner was eligible for a substitute land if he or she had only one plot and no other land either in the municipality or in the rural area registered in his or her name while provision KA 6.9 (b) of the Land Act stated that as far as possible the government would provide substitute land instead of cash compensation while acquiring land.

The findings on the review of the Land Act 1979 and the Land Compensation Rate, 1996 are as follows:

Firstly, the landowners would be paid land compensation at the prevailing market rate on the day of declaration by the government. Market rate subsequent to the day of government declaration will not be applicable.

Secondly, if the area of land acquired by the government is less than the standard plot size, the affected land owner will be paid in cash only.

Thirdly, if acquisition of land by the government renders the affected land owner landless, the owner would be eligible for substitute plot equivalent to the standard plot size in addition to cash compensation.

Fourthly, in case the area of the substitute plot size is more than the area acquired, the affected land owner would pay the cost difference to the government.

During the deliberation on the report submitted by the committee, the Minister for Works and Human Settlement explained that it was important to have fixed rate when the government acquired land from private people. The Minister submitted that the price fluctuation would be worked out every year by the Lhengye Zhungtshog.

Some of the members said that the government acquiring prime private land and giving unproductive land as substitute is not fair. They pointed out that it would immensely benefit the land owners if the government provides land or pay adequate compensation to buy another plot in lieu of the private land acquired by the government. The members also submitted that a committee should be constituted to fix the land price at market rate and review it every year depending on the market force. The convenience of providing extra land besides paying adequate land price should also be considered. The payment of land compensation and land substitution should be expedited to reduce the loss on the government.

The National Assembly commended the performance of the committee constituted by the Ministry of Works and Human Settlement according to the resolution passed in the 82nd Session. The Assembly resolved that the committee on land compensation and substitution be formed with representatives from the Ministry of Works and Human Settlement, Ministry of Agriculture and the Municipality to look into the problems of land compensation and substitution and report to the Lhengye Zhungtshog. The deliberation on the urban land compensation and substitution concluded on 7th day of the 5th month of the Bhutanese calendar year corresponding to June 14, 2005.

26. Compensation for private buildings and land lying within right-of-way of National Highways and roads

The people of Trashiyangtse, Haa and Trongsa Dzongkhags expressed their concern that if the existing road alignment passes through unstable and

unsuitable areas and has to be realigned in the future, it would entail substantial costs to both the government and the people. Therefore, the government and the concerned Ministry should carry out a thorough study before actually acquiring the private land and property by the government. As per the resolution of the 82nd Session, the right-of-way of the National Highways and roads extended to 50 feet. The people appealed that the right-of-way of roads be reduced to 30 or 40 feet. The people also submitted that the three different types of roads should be distinguished from each other and the compensation for the affected residential buildings should be paid according to the prevailing market rate.

During the deliberation on the issue, the Minister for Works and Human Settlement said that the implementation of the right-of-way of road was to be executed as per the decision taken by the Lhengye Zhungtshog in 1993. The problems of the roads have been discussed in the past three or four Sessions of the Assembly. The Road Act of Bhutan was passed in the 82nd Session. While affirming the submissions of the members, the Minister said that as per the Road Master Plan formulated by the Ministry of Information and Communications, around 4,000 km of roads needs to be constructed. About 2,700 km of Highways and feeder roads needs to be constructed within the next twenty years. The roads could not be constructed with proper feasibility study in the past mainly because of lack of technical expertise and financial constraints. However, it is the policy of the royal government to make the Highways with shortest possible distance ensuring minimum expenditure for the transportation of goods. The work to shorten the National Highways has already commenced.

Henceforth, the construction of National Highways would be carried out after detailed study on the socio-economic and environmental impacts with minimum possible expenditure. During the realignment and road shortening works, some roads have remained as feeder roads which also benefits the people. The Ministry of Works and Human Settlement and the Department of Roads are continuing to work as submitted by the people. Due to heavy landslides and unstable land, the construction of the Thrimshing road has been decided to be carried out from a different location in consultation with the Dzongkhag Administration. The heavy rain in 2004 in the east has destroyed the roads and rendered the soil unstable. The alignment of Trashigang-Ranjung road had to be

changed. Therefore, it is important that the Ministry and the Dzongkhag Administration jointly finalize the road realignment.

The Trashigang Dzongda said that the change in road alignment and the 50 feet right-of-way of road has caused problems in the Dzongkhag. He reported that about 14.5 km of road starting from Trashi Yangphu to Thrimshing Dungkhag was damaged because of wrong alignment and unstable soil. When the report was submitted to the Ministry, it was discarded and included in the plan. If the road is discarded, the government may have to pay cost of land and building amounting to 2.7 million. Similarly, huge expenditure may have to be incurred on the Trashigang-Ranjung road. Therefore, the Ministry should first study the implication on the people, stability of the land and carefully plan the construction of roads.

The National Assembly reminded that while formulating the road policies and plans, the Ministry of Works and Human Settlement and the Department of Roads should consider the budget implications to the government and the benefits and detriments to the people. The house resolved that the payment of compensation for the buildings and land would be done as per the decision of the 82nd Session of the National Assembly. The deliberation on the compensation for private buildings and land lying within right-of-way of National Highways and roads concluded on 8th day of the 5th month of the Bhutanese calendar year corresponding to June 15, 2005

27. Right-of-way of National Highways

The Minister for Works and Human Settlement proposed an amendment to Section 14 (2) of the Road Act of the Kingdom of Bhutan, 2004 which states that the horizontal distance of the road-right of way be 50 feet on both sides of the road. The Ministry had then formulated the rules and regulations according to the Act for its implementation. Practical difficulties were faced and the people were adversely affected with its implementation. Therefore, the Minister proposed that the last sentence of section 14.2 of the Road Act to read as *“The horizontal distance between the centerline and the boundary of the road right-of-way shall be 50 feet on both sides.”*

During the deliberation on the issue, some of the members submitted that the government would have to bear substantial costs financially towards payment of compensation for the acquired land if the provision of the Road Act is implemented. Therefore, if the decisions are carefully made and proper policies were formulated before the implementation, the government would not incur such heavy expenditure and also avoid double work. In the event, the alignment needs to be changed, it would be appropriate to reduce the size of the Dzongkhag roads, and feeder roads but retain the Thimphu-Phuentsholing Highway as per the Act to meet the future expansion requirement. The members suggested that the current work on road construction should be stopped by the Department of Roads until the plans are finalized. Although it has been decided that illegal constructions on either side of the roads would be demolished, this decision is not implemented. The members submitted that the people would be benefited if the right-of-way of Dzongkhag and feeder roads is reduced.

In response, the Minister for Works and Human Settlement informed that if the 50 feet of road right-of way is measured from the centerline, it would be in line with the standards set in the Asian Highway Network. Moreover, experts have suggested that it would be in the best interest if the road right-of-way of Dzongkhag and feeder roads is retained as that of Highways.

The National Assembly resolved that the provision 14.2 of the Road Act enacted in the 82nd session would be amended to read as **“from the centerline of the road 50 feet”** instead of **“the horizontal distance between the edge of the carriage way and the boundaries of the road right-of-way shall be 50 ft”**. The deliberation on the right-of way for National Highways and roads concluded on 8th day of the 5th month of the Bhutanese calendar year corresponding to June 15, 2005.

28. Unemployment

The people of Thimphu Dzongkhag submitted that because of the effective education policy, education had been doing very well in the country. The increasing numbers of students entering the job market prefer government service over other jobs. The elderly people continuing to serve without retiring

has not enabled the youths to avail employment opportunities. Therefore, the members requested that the Civil Service Act be amended.

Deliberating on the issue, many members submitted that job opportunities were further limited when less educated civil servants are reluctant to retire even after the retirement age, thus blocking seats. The retirement age of civil servants should be reduced by amending the Civil Service Act to help in solving the unemployment problems. While there is the problem of unemployment on one hand, the absence of people willing to assume the post of Geog Clerk, Tshogpa and Mangmi on the other hand is contradictory. Therefore, to fulfill His Majesty the King's aspiration and to enhance the wellbeing of the Bhutanese people, it was important that the educated youths take up responsible jobs in rural villages, geogs and the Dzongkhags. Since 79 percent of the total Bhutanese population depends on agriculture for their livelihood, the Ministry of Agriculture and the Ministry of Education must collaborate to facilitate agricultural machineries and implement various attractive agricultural schemes in order to encourage the youths to work in the rural areas and promote agriculture farming. If such steps are initiated, it will attract the youths to take interest in agriculture farming which will benefit the country and the people.

The Minister for Labour and Human Resources informed that Bhutan's unemployment was at 1.4 percent in 1998 which has increased to 2.5 percent in 2004. However, this is relatively low compared to 5 to 7 percent in the developed countries and 20 percent in some of the developing countries. He added that it is an irony that Bhutan is unable to find employment for few thousand youths while it was importing thousands of foreign workers into the country. There were currently 37,063 foreign workers in Bhutan and 7,000 to 8,000 registered as day workers with work permit in the border towns.

The Minister outlined the factors contributing to the problem of unemployment in the country like the successful implementation of the education policy, rural-urban migration where it is estimated that by the year 2020, more than 50 percent of the total Bhutanese population is expected to live in urban centers. At present, there are about 16,094 civil servants and 9,200 employed in the corporate sectors. He said that the employment opportunities in these sectors are slim because of the limited capacity in absorbing the additional people. He also

reported the records of the number of students who could not continue their studies, the number of students who have passed and those who are undergoing vocational training to enter the job market. The government had also come up with some arrangement with the private and corporate sectors to mitigate the unemployment problem. The Department of Education has prepared job counselling programmes, a web-based job portal and was also conducting job fairs to guide job seekers. The Ministry has also prepared web-based easy and quick methods for job seekers to access for jobs and submit their applications.

Likewise, the private sectors like tourism, information technology and agriculture should be expanded to create as many job opportunities as possible. It is also important to establish new business ventures like information technology and service industry. Further, with the mechanization of the construction and agriculture industry, youths will take keen interest in agricultural activities. The Ministry of Trade and Industry has been offering training for self-employment in business and various other skill oriented ventures. The government is studying the monthly salary structure, retirement benefits and working environment of the employees in private sectors. A National Employment Act was formulated and is being reviewed and will be submitted in the National Assembly. This bill would address most of the problems of unemployment of youths.

The retirement age in Bhutan is classified into three categories as 56, 58 and 60 years which is much less in comparison to the retirement age of 60 to 65 years in other countries. If the retirement age is further reduced, employees will have to resign immediately after gaining some experience and capability. This in turn would result into huge loss to the government affecting the country's economy and the pension and provident fund schemes. Therefore, it was important to maintain the existing retirement age.

The Prime Minister said that recognizing the youth unemployment as one of the biggest concerns of the people, the government has established a separate Ministry to mitigate this problem. He said that reduction of retirement age would do more harm than good. For instance in India, the retirement age was increased from 58 to 60 years. Moreover, the practice of keeping 65 years as the retirement age in other countries is mainly to retain the knowledgeable and experienced

civil servants to strengthen the government. Although about 50 percent of the human resource development budget has been earmarked for human resource development of the private sector, it could not be given to the private sector as reflected in the plan because we have to depend on the donor funding. It is important to develop agriculture to encourage the youths to work in the villages. As the government has established several training institutes to provide knowledge and skills to enable them to work, it is hoped to establish many more institutes of this kind.

The Minister for Agriculture said that His Majesty's vision of self-sufficiency would not be attained if about 79 percent of the rural populations, depending on agriculture for their livelihood, increasingly migrate to urban areas. There is a danger of agriculture farm land turning into jungles and remaining fallow due to lack of people to work in the rural areas. With the construction of rural development training centre in Zhemgang, it is expected to train about 1,100 people within 3-5 years. Commencing from October 2006, 300 training of trainers, 300 school drop-outs in individual farm management, 300 young farmers in commercial farming and 200 leaders of farming groups would be trained. Similarly, the Natural Resources Training Institute (NRTI) in Lobeyasa is training about 50 youths in poultry, piggery, fishery, mushroom cultivation and vegetable gardening every year. Further, it was reported that 35 youths are undergoing training in agriculture business accounting. It would be beneficial to establish urban recreational facilities in the rural areas to encourage youths to stay in the villages. An agricultural exhibition project on trail basis has currently been initiated in six geogs.

The Minister said that plans and programmes are proposed to establish Renewable Natural Resource Centre in Geogs consisting of forest, agriculture and livestock sectors and construction of GYT hall and training centre for repair and maintenance of agricultural machineries. It was reported that 220 youths were trained in the operation and maintenance of power tillers and other agricultural machineries in Paro. In order to enhance agricultural productivity, about 10 youths are being trained in agriculture business such as making potato chips and about 200 to 250 farmers would be trained in post harvest production. If our people are interested in agriculture business, not only the agriculture produce from the land but forest produce would also serve as good opportunity.

The National Assembly expressed its appreciation to the Royal Government, the Ministry of Agriculture and the Ministry of Labour and Human Resources for the initiatives and implementing numerous plans and programmes to solve the present unemployment problem and prevent future problems. The National Assembly resolved that it was important for the Ministry of Education and the Ministry of Labour and Human Resources to jointly provide maximum vocational trainings to the Class X and XII drop-outs. The Ministry of Agriculture should initiate to provide agriculture related trainings and create as many job opportunities as possible. It is important for the CCM to strive hard to realize His Majesty's vision of Gross National Happiness and the policy objective of food self sufficiency. The unemployment problem should be mitigated collectively by all the relevant ministries. The issue on unemployment concluded on 8th day of the 5th month of the Bhutanese calendar year corresponding to June 15, 2005.

29. Resubmission of issues resolved in the National Assembly

The people of Samtse Dzongkhag requested that the wishes of the people would be fulfilled if the issues discussed and decided in the past sessions of the National Assembly were considered for resubmission as and when necessary.

When the floor was open for discussion on the issue, the Samtse Chimi submitted that this issue may not be discussed since the point was submitted as a reminder only. The Assembly accepted the submission of the Samtse Chimi and the deliberation on the resubmission of issues resolved in the National Assembly concluded on 9th day of the 5th month of the Bhutanese calendar year corresponding to June 16, 2005.

30. Issue of Environment Clearance Certificate

The people of Samtse Dzongkhag submitted that the planned development activities in the Dzongkhags were hampered because of the delay in the release of budget and issue of environment clearance certificate.

Some of the members said that timely completion of the planned activities within the plan period largely depended on the budget release by the Ministry of

Finance. Moreover, the concerned offices should, in cooperation with the community leaders, issue environment clearance certificate and approve allotment of timber as soon as possible. Further, it would benefit the people if the branch offices of NEC were established in the Dzongkhags or officers from NEC were posted in the Dzongkhags. The timely issuance of environment clearance certificate for the development of small and medium scale industries would help in timely completion of the planned development activities.

The Deputy Minister for National Environment Commission (NEC) said that the delay in granting approval for environmental clearance was caused mainly because the commission did not have enough manpower while the people also did not apply for clearance until funds were available. On the sideline of every Assembly Session, the Commission conducted meetings with the Dzongdas to discuss on ways and means to curb the delay in issuing environmental clearance. Committees have also been constituted in each Dzongkhag and the members were provided training for 11 days in Phuentsholing. At a later stage, this committee in the Dzongkhag would be entrusted with the responsibilities related to NEC based on their capabilities. The Deputy Minister also informed the house that NEC is in discussion with the Royal Civil Service Commission to appoint NEC officials in each Dzongkhag. Although NEC is not in a position to post officials in all the Dzongkhags at present, officials would be sent to few Dzongkhags on priority basis depending on the work load and eventually appoint officials in all the 20 Dzongkhags in the future. However, due to lack of adequate resources, it is not possible to establish branch offices in the Dzongkhags at this juncture.

In addition, some of the members submitted that since Samtse is located at the Indo-Bhutan border and had many industries, frequent talks should be held on environmental issues with India. It is important that environment officers are posted by NEC in all the Dzongkhags as the people were facing problems. In order to efficiently and effectively carry out the plan activities, it is important to appoint adequate number of qualified engineers in the Dzongkhags as well as accountants to maintain proper financial accounts in the geogs. It would be beneficial to include members from the private and public in the National Environment Commission.

The Prime Minister reminded that environment is one of the pillars of Gross National Happiness and under the farsighted leadership and guidance of His Majesty the King, our pristine environment remains intact. The royal government continues to conserve and protect the environment. There are problems in timely completion of the planned developmental activities mainly due to lack of cooperation and coordination between the concerned agencies. This issue has been discussed during the 9th Plan review meeting. However, the 9th Plan review report will be submitted in the 84th Session after the completion of the mid-term review of the Dzongkhags and the geogs wherein this problem would also be discussed.

The Minister for Works and Human Settlement said that about 70-80 percent of the planned budget has been allocated for construction purpose. Despite the placement of 10 to 20 engineers in different Dzongkhags depending on the size, there is still the shortage of engineers as a result of which there are lots of auditing problem. Keeping the importance of development activities to the people, the government in consultation with the Royal Civil Service would explore the possibilities of inducting more qualified engineers in the Dzongkhags. The CCM would discuss and decide on the issue of including a representative from the private sector in the National Environment Commission as a member. Similarly, the Deputy Minister for NEC said that while the issue of holding environment related dialogues with India is not a new thing, a joint committee has been constituted to meet every six months to discuss environmental related issues between the two countries.

Till now the Dzongkhags and geogs were facing problems in implementing the development activities because of delay in issuance of environment clearance certificate because of inadequate manpower and lack of facilities. The National Assembly resolved that NEC in consultation with RCSC should appoint environment officers in the Dzongkhags to expedite issuance of environment clearance certificates. The CCM will discuss and decide on inclusion of a representative from the private sector and the public in addition to the representatives of the existing four ministries in the NEC committee and submit a report in the 84th Session. The Ministry of Works and Human Settlement in consultation with the RCSC should arrange to appoint adequate numbers of engineers in the Dzongkhags. Similarly, the Ministry of Labour and Human

Resources and the Ministry of Finance should jointly arrange to appoint the required number of accountants in the geogs. The deliberation on the issuance of environment clearance certificate concluded on the 9th day of the 5th month of the Bhutanese calendar year corresponding to June 16, 2005.

IX. REPORT ON THE STATE OF ENVIRONMENT

The Deputy Minister for National Environment Commission (NEC) in the report on the state of environment said that economic development and the conservation of environment are equally important, bearing equal significance. Conservation of environment is one of the four pillars of Gross National Happiness. The Minister said that out of 180 applications received for environment clearance certificate for various projects, 142 clearances have been issued so far. In 1998, six Environmental Impact Assessment guidelines were formulated and it was reviewed under the financial assistance from Asian Development Bank and has been well institutionalized. Similarly, two new EIA for the urban and tourism sector have been developed. The NEC has also identified 155 industrial areas in consultation with the Department of Geology and Mines and a report has been submitted to the government.

The Deputy Minister informed the Assembly that hazardous pesticides stockpiled in Paro was sent back to Switzerland for incineration with Swiss financial assistance worth Swiss Franc 200,000. Electrification would not be carried out in Phobjikha due to the danger it posed to the black necked cranes. However, it was reported that solar energy has been installed with an investment of about US\$ 40,000. Regarding the status of air, Bhutan continues to enjoy better air quality, with the average concentration of 51 of Suspended Particular Matter (SPM) only whereas in other countries, the average concentration of SPM ranges from 150-230. Similarly, the quality of our water is also very good. Since there is increased land and forest degradation taking place due to economic development in the country, appropriate measures should be taken to implement developmental activities with minimum damage to the environment. Although a small country, Bhutan is known for its environment conservation policies, and just recently, His Majesty the King and the people of Bhutan have been awarded the “Champions of the Earth” medal by the World Environment Organization in recognition of the efforts made in the

conservation of environment. *(A 34 page report was distributed to the National Assembly members)*

In addition, the Minister for Health informed that if the population growth is disproportionate to the resources of the country, the employment opportunities can not be sustained despite creation of various employment opportunities. Moreover, the country will never become self sufficient even with agricultural development if the population growth exceeded the limit. The Bhutanese population was still very young with 42 percent of the population falling under the age group of 15 years. According to the standard rule, if the percentage of population of 15 years exceeds 35 percent, the population is considered young while the population exceeding 12 percent under the age group of 65 years is considered old. But Bhutan's population does not fall in old population group. In a study carried out in 2002, the population has been increasing at 2.5 percent. If population continues to increase at this rate, it will be doubled in 35 years. His Majesty the King introduced the family planning policy in the early 1980s and the Ministry of Health was commanded to prioritize the implementation of family planning and birth control methods. The Ministry of Health continues to place importance to family planning and birth control methods to check population growth. Therefore, population control should be emphasized in order to sustain the policy of conservation of environment in the country.

Some of the members submitted that it was important to conserve and protect our environment since it was like the Deity protecting our people. In order to maintain the required standard of environment, the NEC in coordination with the geogs should start to formulate plans and policies to sustain our environment at a time when the government is strong and stable. Moreover, many of the planned development activities adversely affect the forest cover like even the death of a person affecting forest. The people should think as to how long they will continue depending on the forest for their livelihood. Alternate methods like electricity and electric ropeway may be used instead of constructing feeder and farm roads to maintain clean environment. It was also submitted that the Forestry Development Corporation should reduce logging activities as much as possible.

The Minister for Agriculture said that the environment conservation policy should be maintained in order to conserve clean air, water and land to increase agricultural productivity. The Forestry Development Corporation has reduced their logging

activities and also has the policy of planting ten saplings for each tree cut down in place. Moreover, the saw dust in the saw mills was used to make saw briquettes which could be used as an alternative to fire-wood especially by the Dratshang, the schools and the armed forces. While bamboos are very useful to the poor people, plantation of bamboos could be started which can be used as building materials. The Minister also suggested that string could be used instead of flag poles for the dead.

The Speaker reminded the members that the conservation and protection of environment has always been emphasized because it is the wealth of the nation. Recognizing the importance and the benefits of the environment, conservation and protection of the environment started from early times under the farsighted leadership of His Majesty the King. Bhutan is included as one of the ten hot spots in the world in environment. The “Champions of Earth” medal to His Majesty the King by the World Environment Organization in recognition for the efforts in conserving and protecting the environment is a positive indicator.

The National Assembly commended the NEC for the implementation of proper policies and the efforts and achievements made towards conservation and protection of our environment fulfilling the wishes and aspirations of His Majesty the King and the people. The Assembly also reminded the members that as proposed by the Ministry of Health, it was important to understand and disseminate the message of family planning and birth control and its implications to the people in the geogs and the Dzongkhags. The Ministry of Agriculture should formulate forest conservation policy and submit it to the 84th Session of the Assembly. The deliberation on the report on the State of Environment concluded on 9th day of the 5th month of the Bhutanese calendar year corresponding to June 16, 2005.

Continuation of discussion on the Chukha Dzong construction

The National Assembly prior to the deliberation on Moveable Cultural Property Bill of Bhutan, 2005 on the 7th day of the 6th month of the Bhutanese calendar corresponding to June 14, 2005 granted the opportunity to the Minister for Home and Culture Affairs to submit the report on Chukha Dzong construction. The deliberation had to be deferred due to the absence of Home Minister where various issues were raised on the construction of Chukha Dzong during the presentation of

report by the Zhung Kalyon of the Royal Advisory Council on the 16th day of the 5th month of the Bhutanese calendar corresponding to June 7, 2005. The Home Minister submitted that the Ministry on the orders of the Lhengye Zhungtshog, constituted a high level committee who visited the site for investigation and a report has been received by the Ministry. The Home Minister reported that he did not get an opportunity to review the lengthy report and could not be submitted to the Lhengye Zhungtshog. He informed the house that the cost of construction would be almost four times higher than the initial project budget estimate.

As submitted by the Home Minister, the National Assembly resolved that the Home Ministry should submit the investigation report on the construction of Chukha Dzong to the Lhengye Zhungtshog. A copy of the decision taken by the Lhengye Zhungtshog should then be presented to His Majesty the King and a copy submitted to the National Assembly as per Chapter 4, Article 2 of the Royal Advisory Council Act.

X. ENACTMENT OF ACTS AND RATIFICATION OF CONVENTIONS

1. Bhutan Cultural Property Bill, 2005

Prior to the deliberation on the endorsement of Bhutan Cultural Property Bill, the Minister for Home and Culture Affairs presented a summary of the objective and the purpose of the Bill. He said that Ugyen Guru Rinpoche and various eminent Lamas, Tertons and Saints visited Bhutan during the 7th and the 8th century and built Jampa Lhakhang in Bumthang, Kyichu Lhakhang in Paro and other numerous Lhakhangs and Goendeys. These religious establishments hold antique *Ku Sung Thug ten* and sacred ancient religious artifacts and added that Bhutanese were very fortunate that our wealthy forefathers had accumulated lots of religious artifacts which are the most sacred possessions and national treasure of the Bhutanese people. Therefore, drafting of a bill on Movable Cultural Property Act of Bhutan was initiated to administer the conservation and protection of these invaluable religious objects. In order to ensure effective functioning of the government in compliance to the resolution of the 82nd Session, the Movable Cultural Property Bill was drafted by the legal experts in close consultations with the concerned agencies.

The National Assembly, while deliberating on the bill pointed out that there are problems on section 14(6) regarding the exhibition outside the country where it reads “given the high risk of exhibition items, a senior responsible officer from the Department of Culture shall accompany the items of cultural properties,” and section 15(2) on “Conservation and Protection” where it reads “No conservation (restoration/preservation/ alteration/modification/ repair etc.) of moveable cultural property shall be undertaken without approval from the Department of Culture.” While deliberating on the inconveniences of these two sections, most of the members said that although most of these artifacts are religious in nature, the bill did not specify the authority and responsibility of Dratshang and the Dzongkhags.

The Dratshang representative said that during the drafting of the bill, the Dratshang had requested that the authority relating to religious artifacts should be vested with His Holiness the Je Khenpo but nothing was specified in the Movable Cultural Property Bill. Therefore, after the meeting of the four Lopons, the National Assembly was requested to postpone the enactment of the Bill to 84th session.

The Dorji Lupon said that in general most of the antique religious artifacts have relations with the Choedays, Goendey, Dratshang and Anim Dratshang. The seals and Kashos of the Goendey, Dratshang and accomplished Lamas were to conduct religious works without any relation to the government policy. Therefore, before invalidating the 400 years tradition of the *Choesid* system in practice during the time of the Zhabdrung, it was important that the bill is drafted in close consultation with the Dratshang. It is imperative to decide whether an eminent Lama or any of the four Lopons should approach the Director of the Department of Culture to obtain approval even in putting *Zung* in the statue despite *Kasho* of eminent Lama. It is also necessary whether it is practical to obtain approval for renovation or gold plating of statue’s face from the Department of Culture. Similarly, the caretakers of Lhakhang did not have adequate ration allowances. They could be drawn into legal prosecution due to these cultural properties. It was submitted that it is necessary to study the future conveniences in invalidating the past practices of executing most of the works through *Kashos*.

Since the principles of this bill are different from the general bills, the members suggested that the bill be deferred and tabled in the next Session as submitted by Dratshang.

The Minister for Home and Culture Affairs said that it was important that this bill be enacted with the support of the Dratshang to conserve and safeguard the cultural properties from generation to generation. Therefore, in view of the foreseen inconveniences in some provisions and as requested by the Dratshang, the deliberation on the enactment of the bill may be postponed until the next Session.

Likewise, the Zhung Kalyon and some members said that the conservation and safeguarding of the cultural properties would ultimately be determined by the Movable Cultural Property Act. However, since the Dratshang has some reservation on the bill, the deliberation on the bill could be postponed to the next Session.

After deliberating 9 pages of the Movable Cultural Property Bill, the members affirmed the problems submitted by the Dratshang. Similarly, the Minister for Home and Culture Affairs also supported for the deferrment of the bill. Therefore, the National Assembly resolved that the Ministry of Home and Culture Affairs and Dratshang should jointly review the bill and submit in the 84th Session of the National Assembly. The deliberation on the enactment of the Movable Cultural Property Bill concluded on the 8th day of the 5th month of the Bhutanese calendar year corresponding to June 15, 2005.

2. Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti- Personal Mines and on their destruction

During the ratification of the convention by the National Assembly, the Minister for Foreign Affairs presented a background on the importance and the objectives of the Convention. The Minister said that the land mines, planted with the main aim of killing the enemies in times of war, later killed hundreds of civilians, especially children, causing endless sufferings. Land Mines have killed about one million people since 1775. In a decision arrived in the meeting of the United Nations in 1996, 157 countries voted for the restriction on use of land mines.

Currently 152 countries have signed the convention and 144 Parliaments have already ratified the convention. Therefore, it would be beneficial to the country if the Convention was ratified.

Recognizing the importance of ratifying the convention and the benefits that it would accrue to the people, the National Assembly ratified the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personal Mines and on their Destruction on the 13th day of the 5th month of the Bhutanese calendar year corresponding to June 20, 2005.

3. The Convention on the Prohibition of the Development, Production, Stockpiling and the Use of Chemical Weapons, and on their Destruction

The Minister for Foreign Affairs briefed the House on the background of the Convention and said that the convention aims at prevention of the use of chemical weapons, and on their destruction. Since its use in 1600, the quality of these weapons have changed every year and its strength was displayed in the First World War, causing great devastations and sufferings. The world recollecting the consequences, formulated plans to prevent the use of chemical weapons in times of war. Talks were held between countries on the convention since 1980 and came to a final decision in 1992 after 12 years. Currently 182 countries and 168 parliaments have signed and ratified the convention. Although, Bhutan had already signed the convention in 1997, it had not been submitted to the Assembly for ratification. The Minister submitted that it was important that the Assembly ratified the Convention.

In view of the importance of the convention to the country, many of the members supported the submission. Therefore, the National Assembly ratified the Convention on the Prohibition of the Development, Production, Stockpiling and use of Chemical Weapons and on their Destruction on the 13th day of the 5th month of the Bhutanese calendar year corresponding to June 20, 2005.

4. Convention for the Safeguarding of Intangible Cultural Heritage

During the deliberation on the Convention, the Minister for Education informed the members that the meeting of Ministers of Culture on Intangible Cultural

Heritage in Istanbul in 2002 recognized the importance of safeguarding and developing the intangible cultural heritage and the same was resolved on October 17, 2003. The Minister said that intangible cultural heritage denotes the practices, representation, expression, knowledge and skills, as well as instruments, objects, artifacts and cultural spaces associated with communities and groups and in some cases individual culture that has been passed from generation to generation. During the audience with His Majesty the King and the Prime Minister, the Director General of UNESCO had expressed his appreciation on the unique Bhutanese culture and traditions. The Minister reported that a letter has been sent regarding the inclusion of our unique *Dramtse Nga Cham* in the list of intangible cultural heritage. The Convention would help safeguard, ensure respect and raise awareness of intangible heritage guaranteeing our unique national identity. The convention would help safeguard, ensure respect and raise awareness of intangible cultural heritage guaranteeing our unique identity. Since substantial financial assistance is being received from UNESCO in the field of education and culture, the Minister said that it would be appreciable if the members could seriously consider to ratify the convention.

Considering the indispensability of the Convention for the Safeguarding of Intangible Cultural Heritage in the country, some of the members submitted that the convention should be ratified. Therefore, the National Assembly ratified the Convention for Safeguarding of Intangible Cultural Heritage on 13th day of the 5th month of the Bhutanese calendar year corresponding to June 20, 2005.

5. Inter-governmental Agreement on the Asian Highway Network

While deliberating on the Convention, the Minister for Works and Human Settlement informed the House that the United Nations Economic and Social Commission for Asia and the Pacific adopted the Inter-governmental Agreement on the Asian Highway Network. This would strengthen relations, promote international trade, develop tourism and international transport and environment in the Asian and the Pacific region keeping in view the introduction of efficient international inter-modal transport.

The Minister explained the 19 point agreement to continue the coordinated efforts in planning, development and improvement of international road transport between the Asian countries. The plans and policies formulated in the development of Highways would highly benefit the socio-economic development of the country.

The National Assembly ratified the Inter-governmental Agreement on the Asian Highway Network on the 13th day of the 5th month of the Bhutanese calendar year corresponding to June 20, 2005.

6-10. Protocol relating to an Amendment to the Convention on International Civil Aviation, Article 83 *bis*, protocol relating to an Amendment to the Convention International Civil Aviation Article 3 *bis*, Protocol relating to an Amendment to the Convention on International Civil Aviation Article 56, Ratification of Accession to the Montreal Supplementary Protocol of 1988 and Convention on Marking of Plastic Explosives for the Purpose of Detection.

The Minister for Information and Communications presented a brief background and the objectives of the conventions to the House. He said that Bhutan signed the Convention on International Civil Aviation at Chicago in 1986 which was formulated in December 7, 1944 in Chicago. He added that the signing of the convention has greatly benefited in building relations and also develop communication linkages with different countries. Similarly, the member countries have equal opportunities in availing international aviation services. The convention also helps in preventing and reducing illegal actions at the airports and enabling the use of plastic explosive detectors in the aircrafts.

Some of the members submitted that since Bhutan is a member of United Nations, it is important that the country takes into consideration the changing international scenarios. They also submitted that they had no objection to the ratification of the Convention on International Civil Aviation.

The National Assembly ratified five conventions considering the benefits it would have to the International Civil Aviation and the Bhutanese Civil Aviation in particular on the 13th day of the 5th month of the Bhutanese calendar year corresponding to June 20, 2005.

11-12. UN Single Convention of 1961 on Narcotic drugs and UN Convention of 1971 on Psychotropic substance

The Minister for Education and Minister for Health briefed the House on the aims and objectives of the UN Single Convention of 1961 on Narcotic drugs and UN convention of 1971 on Psychotropic substance. The world is facing growing threats from the use of narcotics and psychotropic substance. Therefore, it was very important that Bhutan became a part of the convention because the convention covered medical drugs and also elucidated the benefits of signing the convention.

Some of the members said that the Ministry for Health and Ministry for Education should rehabilitate the youths who are drug addict or taking recourse to drugs through awareness campaign. The Dratshang should also guide the youths through moral and religious lessons on the ramification of drug abuse. The members reiterated that a new Act should be enacted as soon as possible to deter the youths from taking recourse to drugs. The people should bear extra responsibility to implement the ways and means to prevent drug abuse and rehabilitate our youths. Moreover, the Dzongdas and the community leaders should also take part in advising the youths and most importantly the Royal Bhutan Police should provide full support to prevent drug abuse. Many members affirmed that the convention be ratified.

The National Assembly, along with the ratification of the UN Single Convention of 1961 on Narcotic Drugs and UN Convention of 1971 on Psychotropic Substance, reminded the CCM that a careful study should be carried out on the implications and objectives of the Conventions before signing it in future. The Assembly resolved that the Ministry for Education and the Ministry for Health should jointly draft an Act to address the problem of drug abuse and submit it in the 84th Session. The Assembly also urged the Dratshang to continue the present practice of creating awareness on drug abuse among the students through moral and religious teachings. The Council of Ministers should also take appropriate steps and instruct the Police personnels to keep strict vigilance so as to minimize the problem of drug abuse. The deliberation on the UN Single Convention of 1961 on Narcotic drugs and UN Convention of 1971 on Psychotropic substance

concluded on the 13th day of the 5th month of the Bhutanese calendar year corresponding to June 20, 2005.

XI. EXPRESSION OF GRATITUDE TO HIS MAJESTY THE KING FOR DISTRIBUTION OF THE DRAFT *TSATHRIM CHHENMO* TO THE PEOPLE OF ALL DZONGKHAGS

The people of Chhukha, Trongsa, Tsirang, Samtse, Sarpang and Trashiyangtse Dzongkhags along with the people of 20 Dzongkhags and the BCCI representative expressed their deep gratitude and appreciation to His Majesty the King for the distribution of the Draft Constitution to the people. They submitted that the devolution and decentralization of power to the Geog Yargey Tshogchungs (GYTs) and Dzongkhag Yargye Tshogdues (DYTs) has emanated from the Golden Throne. His Majesty the King had distributed the Draft Constitution to the people through the GYTs and DYTs on March 26, 2005 to further strengthen the security, sovereignty and democratic governance in the country. This marks an important era in the history of Bhutan contributing towards strengthening the sovereignty of the country and achieving the noble vision of Gross National Happiness. The people were grateful for the opportunity to be educated through the process of reviewing, clarification and debating on the Constitution. The people welcomed the historic document which symbolizes the farsighted vision of His Majesty the King and testifies the trust and confidence bestowed on the Bhutanese people.

Similarly, the people expressed that although the people were grateful and indebted to His Majesty the King for the distribution of the Draft Constitution to the people, they were deeply concerned whether they would be able to shoulder the vast responsibilities of governance with the enactment of the Constitution. After almost 100 years of Monarchy and an era of peace and prosperity, the country was poised for political reforms. The people are genuinely concerned that lack of political maturity for the new responsibility could affect the peace, sovereignty and security of the country. The policy of devolution of power to institute democratic governance has emanated from the Golden Throne with the establishment of Dzongkhag Yargay Tshogdu in 1981, the Geog Yargay Tshogchung in 1991 and the devolution of power to the elected Council of Ministers in 1998. His Majesty the King had commanded the drafting of the Constitution in 2001 and widely distributed the Draft Constitution to the people on March 26, 2005. The people,

therefore, expressed their deep appreciation to His Majesty the King for his noble initiatives.

Some of the members, the Zhung Dratshang and the venerable Dorji Lupon submitted that in a world where even the servant at the lowest level and clergy wanted more power, a King was handing over his power to the people because of his concern for their wellbeing. It is important to bear in mind that unlike in other countries where democratic norms are instituted through many years of civil war and strife, in Bhutan the sacred command for the devolution of power emanated from His Majesty the King for the wellbeing of the Bhutanese people. Without any indication from the people for a Constitution, His Majesty the King commanded the drafting of the Constitution in 2001 to 39 drafting committee members under the Chairmanship of the Chief Justice. The members of the Constitution drafting committee have worked hard towards fulfilling the noble vision of His Majesty the King and for the wellbeing of the people. The Draft Constitution was distributed to the people on March 26, 2005. The Dorji Lupon offered his prayers that the Constitution emanated from the manifestation of a compassionate heart, would further strengthen the sovereignty of the country and be a model to the world.

On behalf of the Government, the Prime Minister said that there were many good Constitutions in the world today but many of these Constitutions were sometimes ignored during the implementation, defeating the very purpose and, thereby, not only hampering good governance, but creating many problems. There are many examples of countries where the rich have grown richer and the poor poorer. Bhutan has enjoyed peace and prosperity under the wise and farsighted leadership of His Majesty the King and the Constitution, a Royal Vision, will enhance this peace and prosperity. The Constitution would further strengthen the peace and stability and the well being and prosperity of the people if the rule of law, functions of governments and the unity of the people depended on the Constitution. The success of the Constitution will depend on its implementation, and therefore, it is important that the people fulfill the heavy responsibility of governance instead of misusing it. Therefore, it is important that the Assembly members return to their villages and educate the people on their role as well as the benefits and implications of the Constitution.

The Speaker of the National Assembly noted that the people of all 20 Dzongkhags, the government and the monk body had submitted their gratitude to His Majesty the King for distributing copies of the Draft Constitution on the auspicious day of 26 March, 2005. The Constitution was drafted for the future well being of the country and the people, so it was vital for the people to understand its contents to be able to share their views when His Majesty the King visited the Dzongkhags for nation-wide consultations.

XII. EXPRESSION OF *TASHI LEKMOEN* TO THE CHHOETSE PENLOP

The people of Gasa, Trashigang, Trongsa, Tsirang, Samtse, Trashiyangtse along with other Dzongkhags and the Thimphu Municipality expressed their appreciation to His Majesty the King for awarding the title of the Chhoetse Penlop to His Royal Highness the Crown Prince Dasho Jigme Khesar Namgyel Wangchuck in a sacred traditional ceremony. The sacred investiture ceremony of the heir to the Golden Throne would ensure peace, prosperity and the sovereignty of the nation into the future and the continuity of the sacred institution of Monarchy. The historic installation of the Crown Prince as the Chhoetse Penlop would further strengthen the unity of the Bhutanese people under one dynamic leader. The people offered their *Tashi Lekmoen* to the Chhoetse Penlop and prayed that the tradition of Monarchy will continue to posterity like the flowing of the never ending Ganga river.

XIII. EXPRESSION OF APPRECIATION

The people of Bjokhar, Ngangla, Goshing and Pangkhar geogs under Zhemgang Dzongkhag expressed their deepest gratitude to His Majesty the King for granting *Kidu* to the people at a time when they were undergoing acute food shortage and suffering from the outbreak of diseases caused by the monsoon land slides in 2004. They also expressed their gratitude to His Majesty the King for timely evacuation of the patients by deploying helicopter to the areas affected by the flood and landslides.

Similarly, the people of Pemagatshel Dzongkhag submitted that with the construction of farm roads of 8.41 kms under Shumar Geog and 8.24 kms in Zobel Geog, the people of six villages have experienced an increase in their annual

income from Nu.15,000 to Nu 45,000. Further with the resumption of the construction of Marung bridge between Yanglang and Khar Yajur Village which was suspended due to serious security threats, would immensely benefit the people. Therefore the people expressed their deep appreciation to the Royal Government for the construction of farm roads and for resuming the construction of the Marung bridge.

The representative of BCCI expressed the sincere gratitude of the business community to the government and the security forces of India for providing security arrangements to the Bhutanese commuters travelling between Samdrupjongkhar and Phuentsholing through the Indian states of Assam and West Bengal.

The people of Paro expressed their appreciation to His Majesty the King for commanding the restoration to its original glory, the sacred *Nye* of Taktshang founded by Guru Rinpoche, which was burnt down. The construction was completed in five years with a total expenditure of Nu.130 million. It was consecrated from 15th to 17th day of the second month of the Bhutanese calendar year corresponding to 25th to 27th March 2005. The people of Paro also expressed their gratitude to the district administrations, the donors and the individuals who contributed to the reconstruction. The agenda on expression of appreciation concluded on the 14th day of the 5th month of the Bhutanese calendar year corresponding to June 21, 2005.

XIV. DISTRIBUTION OF DOCUMENTS:

1. The National Budget for the Financial Year 2005-2006 and the Report on the 2004-2005 Budget
2. Brief Report on Bhutan's State of Environment for fiscal year 2004-2005
3. Bhutan Cultural Property Bill, 2005
4. Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti- Personnel Mines and on Their Destruction.

5. Convention on the Prohibition of Development, Production, Stockpiling and the Use of Chemical Weapons and on Their Destruction
6. Convention for the Safeguarding of the Intangible Cultural Heritage
7. Inter-governmental Agreement on the Asian Highway Network
8. Protocol relating to an Amendment to the Convention on International Civil Aviation, Article 83 *bis*
9. Protocol relating to an Amendment to the Convention on International Civil Aviation, Article 3 *bis*
10. Protocol relating to an Amendment to the Convention on International Civil Aviation, Article 56
11. Ratification of or Accession to the Montreal Supplementary Protocol of 1988
12. Convention on Marking of Plastic Explosives for the Purpose of Detection
13. The UN Single Convention of 1961 on Narcotic Drugs
14. UN Convention of 1971 on Psychotropic Substance

XV. CONCLUDING CEREMONY

The Speaker offered Tashi Moenlam to His Majesty the King, the Prime Minister and the members of the National Assembly on the auspicious concluding ceremony of the 83rd Session of the National Assembly which commenced from the 27th day of the 4th month to the 16th day of the 5th month of the Bhutanese calendar year for a period of three weeks.

The Speaker, on behalf of the National Assembly and on his own behalf, extended a very warm welcome to His Majesty the King, the Royal Family Members, diplomats, dignitaries, representatives of the international agencies and other guests to the concluding ceremony of the 83rd Session.

The Speaker said that he was extremely happy that the 83rd Session concluded successfully. The wise and farsighted leadership and the guidance of His Majesty the King and the wisdom of the Prime Minister and the National Assembly members had led to very candid deliberations. The members have engaged in open and frank discussions on important issues in the interests of the country without being influenced by their own personal interests. He expressed profound gratitude to His Majesty the King and to all members of the National Assembly.

The Speaker said that based on the report submitted by the Prime Minister on the achievements made by the government over the past one year and the report on the National Budget submitted by the Finance Minister, it was clear that unbelievable progress had been made in the preservation and promotion of the Buddha Dharma, the age old traditions and culture of the *Pelden Drukpa*, socio-economic development, including private sector development, establishment of government and private industries, and the enhancement of domestic and foreign trade. Therefore, it is of paramount importance for the members to remain ever grateful to the government.

The Royal Advisory Council, in keeping with Chapter IV of the Royal Advisory Council Chathrim and the resolution of the 82nd Session of the National Assembly has initiated a system of reporting in the National Assembly commencing from the 83rd Session on the implementation of the resolutions of the National Assembly by various ministries and organizations ensuring the institution of checks and balance mechanism. Therefore, the National Assembly would like to express its appreciation to the Royal Advisory Council and hope that they would continue to perform their duties without fear or favour and report to the National Assembly.

It is indeed very encouraging to note that ministers shouldering executive functions of the government have accorded due importance and implemented all the resolutions of the 82nd Session. While expressing appreciation to the council of ministers, it was hoped that they would always place the submissions of the people in the forefront and render all possible support to the people.

The current session has ratified 11 international conventions besides deliberating on the finalization of the Bhutan-India border. It is an ardent hope that the border in the north would also be finalized as soon as possible. The generation of substantive resolutions on these issues has been very inspiring.

The Speaker said that it is very important for the Assembly members to convey to the people of their respective constituencies, the ministries, departments, agencies and private sectors the resolutions adopted by the Assembly as soon as possible and ensure its proper implementation.

The Speaker extended his appreciation to the community leaders for ensuring the security in their constituencies and said that it is important to remain alert and strengthen the security in their respective places. Similarly, he expressed confidence and appreciation to the armed forces in protecting the security of the country and hoped that the armed forces would continue to maintain and strengthen the security of the country.

The Speaker also extended the appreciation of the National Assembly to the Indian security personnel for providing security to the Bhutanese people commuting through the Indian states of West Bengal and Assam and hoped the security provision would be provided on a continuous basis.

The Speaker reminded the members that the agenda for the 84th Session bearing national significance should be submitted to the National Assembly without delay after thorough study by the Dzongkhags and the Ministries. The resolutions of this session ratified by the house are also distributed to the members. It is important that the resolutions are disseminated to the people in the respective geogs without delay and submit a report thereof to the National Assembly Secretariat.

The Speaker also said that owing to the shortage of staff in the National Assembly and the short time available with us, it is very important for all the members, ministers, Dzongdas and the community leaders to submit the agendas timely.

The Speaker informed the house that about 111 members took part in the Blood Donation Campaign organized at the Jigme Dorji Wangchuck National Referral Hospital on June 11, 2005 for the benefit of patients admitted in the hospital. It is not only an exemplary gesture but it was the first of its kind in the history of the world. The Speaker also extended his appreciation to the members for wholeheartedly participating in the City Cleaning Campaign on June 18, 2005 to sensitize the people in the capital in the move to keep the Thimphu city clean. The Speaker solicited the cooperation and support of all the members to make this campaign an annual event.

The National Assembly offered prayers for all the sentient beings to be saved from disease, epidemics, wars and natural calamities. The members wished that the precious teachings of Lord Buddha, a source of well being for mankind would continue to flourish. They offered prayers for the long life of His Majesty the King and happiness of the Bhutanese people. The 83rd Session of the National Assembly concluded on the 16th day of the 5th month of the Wood Bird Year corresponding to June 23, 2005 with fervent hope for a happy union in front of the golden throne in the next Session.

sd/-

(Ugen Dorje)

SPEAKER

June 23, 2005

**INAUGURAL SPEECH OF THE SPEAKER AT THE 83RD SESSION OF THE
NATIONAL ASSEMBLY OF BHUTAN ON THE 27TH DAY OF THE 5TH
MONTH OF THE WOOD ROOSTER YEAR CORRESPONDING TO JUNE 3,
2005**

The 83rd Session of the National Assembly commences on this auspicious day with the gracious presence of His Majesty the Druk Gyalpo on the Golden Throne and the representatives of the Zhung Dratshang, Government and the People.

I, on behalf of the National Assembly of Bhutan, would like to sincerely welcome His Majesty the Druk Gyalpo, members of the Royal family, the Prime Minister, representatives of the diplomatic and international community and other distinguished guests who have come from far and near to witness this auspicious opening ceremony of the 83rd Session of the National Assembly.

I would also like to extend my warm and hearty Tashi Delek to the newly elected representatives of the Zhung Dratshang, Rabdeys, Councillors, Chimis, newly appointed government representatives as well as the re-elected Chimis to the National Assembly. You have all been elected by the people of your respective constituencies with full trust and confidence. Therefore, I sincerely hope that you will render your relentless and dedicated services to the people and the country.

May I have the honour to remind the members that such a gathering in this august hall to deliberate on issues of national significance is attributable to the blessings of *Koencho Sum*, the dynamic leadership of our beloved monarchs and the good luck and fortune of the Bhutanese people.

This is also to remind the members that His Majesty the Druk Gyalpo, the three armed forces and the militia volunteers had successfully removed the threat posed by the presence of the three different Indian militant groups from our territory and restored peace and normalcy in the country.

Further, it is very important for the people to bear in mind that although our country was facing acute financial constraints and the security threats posed by the presence of Indian militants in our territory, yet all the governmental and planned activities could be

successfully completed without any hindrances. It was attributable to the wise and farsighted guidance and dynamic leadership of His Majesty the King and the relentless efforts put by the government officials.

Our hereditary Crown Prince, DASHO JIGME KHEGAR NAMGYEL WANGCHUCK was conferred with the authorities and responsibilities of the Chhoetse Penlop on the 8th day of the 9th month of the Wood Monkey Year corresponding to 21st October 2004. This sacred and historic event has assured the sun of peace and prosperity to continue shining in our country even brighter than before. I, on behalf of the National Assembly, would like to extend hearty *Tashi Lekmoen* to His Royal Highness the Chhoetse Penlop.

Recognizing the importance of the responsibilities of the civil servants and the elected leaders in the Dzongkhag Yargye Tshogdu and Geog Yargye Tshogchung, the royal government has increased their salary. The royal government has increased the monthly salary bearing in mind the heavy responsibilities shouldered by the community leaders in their respective constituencies. Therefore, it is extremely important for the house to take note of it and express its genuine and profound appreciation to the royal government.

May I also take the opportunity to inform the members of the National Assembly that the Public Accounts Committee had been established in accordance with the resolution of the 82nd Session of the National Assembly. Further, the National Assembly Secretariat had drafted the Rules of Procedure for the Public Accounts Committee and it was reviewed and finalized in a Workshop conducted by the Secretariat with participants from the relevant ministries, departments and organizations. The Rules of Procedure for the Public Accounts Committee is now ready for implementation.

Similarly, as you all know that in the absence of a standardized structural framework for legislation in our country, every Ministry or Department had been structuring the Bills as per their own convenience. With the objective of maintaining uniformity in the structure of bills, a two-day workshop was conducted with experts from various ministries, departments and organizations and a Standard Bill Drafting Guidelines was formulated and distributed to all the agencies.

I would like to remind the members that there will be two Sessions of the National Assembly annually starting from the 83rd Session. The Lhengye Zhungtshog had, in accordance with the resolution of the 82nd Session confirmed to conduct the Summer

Session in June and the Winter Session in November. Moreover, to minimize budgetary implication to the government and also to shorten the duration of a Session, the Assembly sessions would be conducted in the morning and afternoon as well.

I would like to inform the house that I had led a five-member delegation to attend the Fifth General Assembly of Association of Asian Parliaments for Peace (AAPP) in Islamabad, Pakistan on November 27, 2005. The forum deliberated on issues relating to world peace and economic development and the outcome was satisfying.

Similarly, on the invitation of the Government of India, I visited New Delhi and met the Chairman of the upper house, Speaker and the Deputy Speaker of the lower house and other senior government officials and discussed areas of cooperation between the two Parliaments. The visit was successful and the Parliament of India has agreed to extend all possible support to our Parliament. All such progress is attributed mainly due to the wise and farsighted guidance received from the Golden Throne.

Though Bhutan is a small and a land locked country, yet due to the noble deeds of our hereditary Monarchs, we have been enjoying excellent relations with India. Recognizing the excellent relationship enjoyed by the two countries, His Majesty the Druk Gyalpo was invited as the Chief Guest for the 56th Republic Day of India. His Majesty's acceptance and participation in such a special occasion is an indication of the enduring and stable relationship between the two countries.

On 26th December 2004, Tsunami disaster in our friendly neighbouring countries like India, Sri Lanka, Maldives, Thailand, Philippines, Malaysia and Indonesia brought about vast devastation with more than 2,80,000 people losing their lives and millions suffering from the consequences of this natural calamity. The royal government, besides contributing a modest relief fund to these affected countries, had also offered prayers and lit thousands of butter lamps for the departed souls. All the civil servants, private sector employees and students have organized various fund raising activities voluntarily and made contributions to help the victims.

As per the report of the scientists and the news in the internet, Bhutan, having been located in the Himalayan region is faced with an imminent risk from natural calamities like earthquake. Moreover, since there were many lakes in the Himalayan range and as the temperature rises, there is every possibility that these lakes may burst and cause

damage to many lives and properties. Therefore, it will be beneficial for our nation and the people to conduct studies and set up early warning systems.

Like in the past sessions, we have an important Bill to be passed and few Conventions to be ratified in this Session. The Bill and the Conventions were distributed to the members in advance to provide them enough time to study and facilitate deliberations. I would like to urge the members to review these documents in the larger interest of our nation and the people. The Constitution of the Kingdom of Bhutan was drafted with a single-minded focus that attached the highest importance to creating a democratic political system best suited to Bhutan, and contains comprehensive rights and responsibilities prescribed for the Bhutanese people. Therefore, it will remain a landmark in the history of our country. On the 16th Day of the 2nd Month of the Wood Rooster Year, corresponding to 26th March 2005, an auspicious day when the stars and elements converged favourably to create an environment of harmony and success, the Draft Constitution was distributed to all the people through the DYT, government organizations, schools and training institutions, and the business community. The draft was also launched on the internet and a web site developed and maintained for the Constitution, with a glossary of terms, to ensure clarity both within and outside the country. This depicts a new era in the history of Bhutan.

His Majesty himself would visit and conduct consultations with the people on the Draft Constitution. Therefore, it is very important for the Dzongdags and community leaders to clearly explain the issues to the people of their respective localities so as to ensure that His Majesty's aspirations were fulfilled during the consultative process and on its final endorsement.

As all the members are aware of the importance and significance of the National Assembly, I would like to reiterate that it is the highest legislative and policy making body in the country wherein both external and internal issues of national importance are deliberated and decided. While deliberating on the important issues, the members should bear in mind the present peace and future stability of our country and the well-being of the people of Bhutan. The members should take part in the deliberation not just for the sake of participation but I urge the members to participate wholeheartedly in the deliberations to facilitate meaningful resolutions. I sincerely wish and pray for the successful conclusion of this 83rd Session.

TASHI DELEK