

**PROCEEDINGS AND RESOLUTIONS ADOPTED DURING THE 64TH SESSION OF THE
NATIONAL ASSEMBLY HELD FROM 30TH JUNE TO 4TH JULY, 1986**

1. ISSUE REGARDING ACQUISITION OF PRIVATE LAND BY THE ROYAL GOVERNMENT

The Chimi of Dechhenling, Samdrupjongkhar requested that private land which have fallen under the mining areas and game sanctuaries be replaced with some other agriculturally suitable government land or from land recorded in their thrams as pastures.

In response, the Deputy Minister for Home Affairs informed the Assembly that the Royal Government had already deputed a team to carry out a detailed investigation on the private lands falling in the cement project areas and game sanctuaries in Dechhenling and that the report had already been received by his Ministry. However, in accordance with the prevailing Land Act, further investigation was required to be conducted in this connection. Therefore, the Deputy Minister suggested that prior to replacing affected private land with agriculturally productive government land or from land recorded as pastures or paying the compensation to the people, necessary consultations be held among the Ministries of Home; Agricultural and Forestry; and Trade, Industry and Power.

The National Assembly endorsed the suggestion made by the Deputy Minister.

2. ISSUES REGARDING APPOINTMENT OF A TEACHER IN JANGKHANA JUNIOR HIGH SCHOOL, HA

The Chimi of Samar & Sangbey reported that in accordance with Resolution No.9 of the 63rd Session, one UNV teacher had been posted in the Jangkhana Junior High School in Ha. The appointment of such an experienced teacher had contributed to improving the standard of the school. However, his services was withdrawn after a period of about two months. Therefore, he requested that an experienced and trained foreign teacher be appointed in the School at an early date.

In reply, the Deputy Minister for Home Affairs explained that the services of the UNV teacher appointed in the Jangkhana Junior High School in Ha had been withdrawn because it was not in keeping with the national policy. However, he informed the Assembly that the Department of Education was making necessary arrangements to appoint one well experienced and trained

national or foreign teacher in the school. Therefore, he hoped that it would meet with the present requirement of the school.

The Assembly endorsed the views expressed by the Deputy Minister.

3. ISSUE REGARDING EXPORT TAX ON CASH CROPS

The Chimi of Lamidara reported that while exporting cash crops from Chirang through Gaylegphug, exporters had to pay taxes in both the Dzongkhags. He, therefore, requested that the collection of all necessary taxes of the Royal Government for exports from Chirang be done in the Dzongkhag itself.

In reply, the Deputy Minister of Finance said that certain municipal taxes were being levied on the cash crops being sold within the Dzongkhags. However, for export of cash crops, taxes were levied only on the basis of weight since 1984 in accordance with a circular issued from the Ministry of Finance. After payment of such taxes in one Dzongkhag, it would not be necessary to pay similar kinds of taxes in other Dzongkhags provided receipts of earlier payment were produced.

The National Assembly observed the taxes being levied in different Dzongkhags were not uniform. Therefore, it resolved that all Dzongdags should levy various kinds of taxes uniformly after holding necessary consultations with the Ministries of Finance, and Trade, Industry and Power.

4. MATTERS RELATING TO MINISTRY OF FOREIGN AFFAIRS

The Ministry of Foreign Affairs presented its annual report to the 64th session of the National Assembly.

The Chimi of Mewang, Gyene & Dagala recalled the proposal of the Royal Government to establish the diplomatic relations with Japan in order to obtain increased assistance, especially in agricultural and technical fields. He requested that the Assembly be informed of the initiatives being undertaken by the Royal Government in this regard. He also recalled that there existed non-resident diplomatic relations between the Kingdoms of Bhutan and Nepal. However, in order to further strengthen the bonds of friendship between the two Kingdoms, he

requested that the Royal Government consider establishment of resident diplomatic missions between Nepal and Bhutan.

In response, the Foreign Minister said that information on all matters relating to the Foreign Ministry was contained in the report presented to the current session. However, to elaborate on the report, he informed the Assembly that he visited Japan in March, 1986 at the command of His Majesty the King. The visit, he said, resulted in the signing of an agreement to establish diplomatic relations between the two countries. As far as Japan's technical and financial assistance to Bhutan was concerned it has been increasing steadily. With the establishment of diplomatic relations between the two countries, the Hon'ble Foreign Minister hoped that the present volume of assistance would increase considerably. Japan, besides being technologically highly advanced, was the second richest country in the world, he added.

As regards diplomatic relations between the Kingdoms of Bhutan and Nepal, the Foreign Minister said there already existed strong bonds of friendship between the two countries. Moreover, with the establishment of non-resident diplomatic relations between Bhutan and Nepal, all matters concerning the two Kingdoms were being dealt with by their respective Missions in New Delhi. When certain matters required the immediate attention of the two Governments, the Ambassador of Nepal visited Thimphu and the Bhutanese Ambassador visited Kathmandu for consultations. Therefore, he felt that the present arrangement was adequate for the time being.

The Minister informed the Assembly that huge expenditures in foreign currency would have to be incurred to establish resident missions. In addition to expenses, there was a manpower problem, as there was insufficient personnel even to man existing missions. He gave an assurance that the question of establishing resident missions would be taken up at the appropriate time in future.

The National Assembly expressed gratitude to the Foreign Minister for his detailed report on matters relating to the Foreign Ministry and for the initiative taken to establish diplomatic relations with Japan.

5. ISSUES REGARDING EXTENSION OF PHUNTS HOLING TOWNSHIP AREA

The Chimi of Mewang, Gyene and Dagala stated that the township area of Phuntsholing urgently needed to be extended. He requested to be informed of any efforts the Royal Government was taking to reclaim or develop areas earlier affected by floods.

In reply, Chairman, National Urban Development Corporation (NUDC), the Hon'ble Foreign Minister, supported the needs expressed by the Chimi. He, however, pointed out that there was no scope for extension of the township area of Phuntsholing as it was bounded on the south by the Indian border and to the north by rugged mountainous terrain. He informed the Assembly that embankment works on the Dhutichhu was being carried out presently and would be completed within a year. For this purpose, a sum of Nu. 43 lakhs had been provided by the Government of India as grant. This project on completion would to a large extent help protect the existing Phuntsholing township area.

The Hon'ble Foreign Minister also informed the Assembly that although the NUDC had originally proposed to undertake the protection works of Amamochhu, it was now being undertaken by the Ministry of Communications and Tourism as a part of the project to set up an airfield in the area. As such he believed that the present river protection requirements were being fulfilled. The Foreign Minister also made it clear that the protection works on the Amamochhu was to protect the existing township area of Phuntsholing. The Royal Government had no intention of extending the town towards areas which are vulnerable to floods. In view of this problem the Hon'ble Foreign Minister said that before extending the township area of Phuntsholing towards the Amamochhu, the matter would have to be thoroughly examined.

6. MATTERS RELATING TO THE PROGRESS AND ACHIEVEMENT OF THE VTH PLAN

The Chimi of Mewang, Gyene and Dagala reported that the Vth Plan was in the last year of implementation. He requested that the Assembly be informed of progress and the extent of achievement of goals laid down in the national plan and in the 18 Dzongkhag plans.

In response, the Deputy Minister, Planning expressed his gratitude for the keen interest shown by the people in the progress and achievement of planned development efforts. The Vth Plan now in the sixth year, was designed to achieve economic self-reliance through the joint efforts of the Royal Government and the people. He said that a report on the achievements of the Vth Plan was being compiled on the basis of data and statistics collected from various Dzongkhags, Government Departments/Organizations, including information on the

aid/assistance received from other countries. After compilation, a report would be submitted in the next session of the National Assembly.

7. REGARDING ESTABLISHMENT OF INTEGRATED GEWOG DEVELOPMENT CENTRE

The Chimi of Dagapela appreciated the government's proposal to establish the Integrated Gewog Development Centre in the VIth Plan. However, he pointed out that as the programme had not yet been finalized, other works like the construction of additional classrooms, approach and feeder roads were not being taken up. As a result, the construction of the proposed road from Chirang-Daga road, leading to Goshi was also being delayed. This caused great difficulties to the people in the area. Therefore, he requested that the road leading to Goshi be undertaken at an early date.

On this issue, the Deputy Minister, Planning stated that the proposed Integrated Gewog Development Centre was aimed at improving the living conditions and standard of the rural people. In accordance with command of His Majesty, unlike previous plans, the VIth Plan was being formulated after thoroughly examining the financial and technical viability of various welfare services/schemes like education, health, etc. As such the investigation on the proposed programme had been carried out three times in order to ensure that it could be implemented successfully and served the intended purpose. On completion of the investigations, the report of the same would be submitted to the National Assembly.

As regards the construction of the road to Goshi from Chirang-Daga road, covering a distance of about 10 km, the Deputy Minister informed that the road had been included in the VIth Plan.

8. REGARDING PAYMENT OF TAX ON CASH CROPS OUTSIDE BHUTAN

The Chimi of Lamidara reported that certain taxes were being levied when the cash crops of Bhutan passed through West Bengal in India. Therefore, he requested that this problem be solved after holding necessary discussion with the Government of India.

In reply, the Deputy Minister for Trade, Industry and Power reminded the Assembly of the trade agreement executed between the Governments of Bhutan and India. In accordance with the trade agreement, there was free trade between the two countries and as such, Bhutanese

goods sold in India would not be subjected to customs duties of the Government of India. However, if this was the case, it could be solved after holding due consultation between the two countries. But, in case of other kinds of taxes levied, the Royal Government would not be able to do anything as it concerned the national policies of another country.

As regards the sale tax being levied on our cash crops in West Bengal, the Deputy Minister suggested that the matter be investigated in detail.

The Assembly endorsed the views expressed by the Deputy Minister.

9. REGARDING EXEMPTION OF TAX ON HOUSE CONSTRUCTION MATERIALS AND ESTABLISHMENT OF REGIONAL OFFICE OF STCB.

The Chimi of Lamidara reported to the Assembly that when house construction materials were imported, the people were required to pay import taxes to the Royal Government. He therefore, requested that the Royal Government consider exemption of such taxes or establish a branch of sale Division of State Trading Corporation of Bhutan in Chirang or Gaylegphug for supply of the required materials to the central and southern part of the country.

In response, the Deputy Minister for Finance explained that while importing construction materials for use in Bhutan, the people were not required to pay taxes in India, provided they obtained exemption certificates from the Dzongkhag Administration. However, the people importing any goods/materials into Bhutan were required to pay Bhutan sales tax at the border checkpoints. He informed the Assembly the sales taxes levied in India varied between 15%, 12% and 8% of the actual value of the goods, whereas in Bhutan it varied between 8%, 5% and 3%. Therefore, he urged the people to obtain exemption certificates or buy the required materials from businessmen in Bhutan. He explained that similar taxes were being levied even for materials purchased from the STCB. As regards opening of STCB branches, he said that STCB was a commercial organization and it would not open new branches everywhere without having ascertained the financial viability.

On this issue, the Deputy Minister for Trade, Industry & Power, supporting the views expressed by the Deputy Minister for Finance, added that the STCB was being run from its own earnings; no budget was provided by the Royal Government. He explained that new branches of STCB would be opened on the basis of demand and availability of the construction materials. Most materials were arranged on quota from the Government of India,

the supply of which was limited at present. Therefore, prior to opening new offices the financial viability including availability of materials and demand would have to be considered.

The Assembly felt that as the rural people were being granted timber at highly subsidized royalty rates and necessary financial help for house construction, the levy of taxes on the construction materials be continued.

10. REPORT ON GONGKHOLA COPPER MINES

In accordance with resolution no.14 of the 63rd Session of the National Assembly, a team of 19 Members of the Assembly visited Gongkhola Copper Mines on 19.2.86, at the invitation of the Department of Trade, Industry & Mines and the Geological Survey of Bhutan. A detailed report on the Gongkhola Copper Mines was presented to the Assembly by the public representative of Tashigang in the Royal Advisory Council and the representative of the Business Community.

The Deputy Minister, Trade, Industry & Power informed the Assembly that the exploration works of the Gongkhola copper mines would be completed by the end of 1986; the detailed report on the same would be available in due course. After receiving the report, the economic viability for exploiting the mineral on a commercial basis would be ascertained. Further, proper market studies would also have to be carried out for sale of the mineral and its products prior to exploiting it commercially. The Deputy Minister also informed the Assembly that due to the absence of a mineral laboratory in Bhutan, the Royal Government was unable to undertake chemical analysis of the samples of mineral available in the country. Therefore, the Royal Government was considering establishment of a laboratory during the 6th Plan.

11. REGARDING LIMESTONE DEPOSITS IN DHANASEY, LAMIDARA

The Chimi of Lamidara reported that there were large deposits of limestone in Dhanasey areas in Lamidara Dungkha. He requested to be informed if any detailed studies had been carried out in the area by the Geological Survey of Bhutan and whether there were proposals to exploit the deposits in near future.

In response, the Deputy Minister, Trade, Industry and Power explained that prior to undertaking exploitation of any minerals, it was necessary to carry out preliminary studies in order to ascertain its economic viability. This would have to be followed by a detailed survey

involving huge expenditure. Normally detailed surveys are not undertaken if the preliminary studies indicate that the proposed exploitation of minerals was not economical.

The Deputy Minister explained that establishment of industries based on limestone, was being given a high priority by the Royal Government. He informed the Assembly that besides the Penden Cement Factory in Samchi, another cement factory with the capacity to produce 50 ton per day was nearing completion in the same Dzongkhag. A calcium carbide factory, together with other related industries based on limestone and power from Chukha Hydel Project were also being set up in Singebhasa at Pasakha. A proposal to establish another cement factory at Nanglam, producing 1500 ton per day was being planned by the Royal Government.

As regards the deposit of limestone in Dhanasey, the Deputy Minister pointed out that it was not limestone, but, dolomite. Although some limestone had been located at other places in Lamidara, it was a problem to exploit it commercially as the Dungkhag was located in the interior of the country. Moreover, there were large quantities of better quality limestone in other more easily accessible regions in the country. In view of this, the Royal Government had no intention of launching any mineral exploration programme under the Dungkhag of Lamidara for the time being.

12. REGARDING CULTIVATION OF MUSHROOM

The Chimi of Chirang noted that the Royal Government had introduced mushroom cultivation in the country and was encouraging farmers to take up the mushroom cultivation wherever feasible to increase their income. In this connection, he requested that field demonstration of the crop be carried out in all the Dzongkhags of the country. He also requested to be informed of any high yielding varieties of foodgrain seeds which have been tried and were being distributed to farmers.

In reply, the Secretary, Ministry of Agriculture and Forestry said that in the past the people had been consuming mushroom that grew naturally and no cultivation had ever been undertaken. However, with the increased development in the country and drawing on the experiences of others, the Royal Government had introduced mushroom cultivation in 1982. Mushrooms besides being nutritious, experiences of cultivation in Japan and Korea show that it can be an important source of income to farmers. Therefore, in order to introduce mushroom cultivation in the country, some Bhutanese nationals had been sent to Japan for training. Of all the varieties of mushroom available in the world, the 'Shokey' type is the most profitable from

the commercial point of view. This variety and several others have already proved viable in experiments. The Secretary said that it was planned to start demonstration of the crop in some of the Dzongkhags during the VIth Plan period. Detailed programmes were already being drawn up by the Royal Government. When such demonstrations proved to be successful, the crop would be introduced to other Dzongkhags of the country, wherever, it was climatically feasible.

With regard to improved food grain seeds, the Secretary stated that although all kinds of crops were grown in the country, paddy was the major crop. In order to increase productivity of rice and other important crops like barley, wheat and maize, improved varieties of seeds were being introduced. Taking into account the agro-climatic and soil conditions, the Department of Agriculture had been making every efforts towards increasing the crop yields by 7 - 8 times by the use of improved seeds and practices and bringing the cultivated areas under double or triple cropping. Some new areas had also been brought under cultivation of new crops.

The National Assembly, endorsed the views expressed by the Secretary and expressed gratitude for the initiative taken by Royal Government to introduce improved and new crops.

13. REGARDING DEMARCATION OF PRIVATE AND FOREST LANDS

The Chimi of Dechhenling, Samdrupjongkhar requested that the erection of pillars demarcating the forest land and the private land be carried out only after verifying the thrams of the people.

In response, the Secretary, Ministry of Agriculture and Forestry has stated that forests was one of the main assets of the country. Recognizing this, the National Assembly in previous sessions had resolved that the Royal Government make every efforts to preserve the forests in the country. However, in the absence of proper demarcation between private land and forests, the Royal Government had faced difficulties while protecting forests and promoting afforestation. In order to solve this problem, the Royal Government in 1974 decided to demarcate the forests in the country. The work would take more than 10 years to be completed.

The Secretary stated that prior to erecting the demarcation pillars, the Department of Forests informed the concerned Dzongda, Survey and village representatives well acquainted with the boundary in the areas under demarcation through a circular. In addition to holding necessary

consultations with the concerned parties, the thrams of the people were also examined in detail. Despite such measure, if there were still problems with regard to the erection of demarcation pillars in Dechhenling, the matter could be taken up with the Ministry of Agriculture and Forestry.

The Assembly endorsed the views expressed by the Secretary and resolved that in the event any problems emerged in the demarcation of forests, the Secretary Ministry of Agriculture and Forestry could finalize the matter in accordance with the Land and Forests Acts.

14. A Pamphlet “Save Our Forests From Beetle Epidemics” issued from the Ministry of Agriculture and Forestry was distributed to all the National Assembly Members.

Referring to the pamphlet, the Secretary, Ministry of Agriculture and Forestry urged the people to inform the nearest forest office if they detect any bark beetle epidemics in their localities and help save them from destruction.

15. MATTERS RELATING TO ROYAL AUDIT AUTHORITY

The Chimi of Chirang expressed his appreciation for the investigation of development activities being carried out by the Royal Government through the Royal Audit Authority and the Royal Advisory Council. He requested that the Assembly be informed whether investigations similar to those undertaken in the Dzongkhags would be carried out in the central government departments.

The Royal Audit Authority presented an investigation report on the activities of various government departments/organizations including the Dzongkhag Administrations, to the members of the National Assembly.

The Auditor General expressed his gratitude for the people’s appreciation of the investigation of development activities carried out in various Dzongkhags of the country jointly by the Royal Advisory Council and Royal Audit Authority under special command of His Majesty. As the report included all details in connection with the investigation, he felt that it was not necessary to further highlight the matter. Regarding the investigation of activities in the central departments, he said the Royal Audit Authority would endeavour to do everything it could within the powers vested in it by His Majesty the King and the National Assembly, and in keeping with its rules and regulations.

Dated : 4th July, 1986

Sd/-
(Lyonpo T. Jagar)
Speaker
National Assembly of Bhutan