

Nepal cuts king's funds by 70pc

REUTERS, Kathmandu

Nepal's interim, multi-party government cut King Gyanendra's allowance by 70 percent on Wednesday in the first budget presented to parliament in four years.

Finance Minister Ram Sharan Mahat said the royal palace would get \$3.1 million for 2006-07, down from \$10.5 million in the fiscal year ending at the weekend.

The move follows the government stripping the king of most of his powers, including his crucial control over the army.

The multi-party government was formed in April after the king reinstated parliament, bowing to weeks of street protests in which at least 18 people were killed.

India, Pakistan trade barbs over bombing

AFP, Mumbai

Indian police searched hotels yesterday for clues in the train bomb attacks that killed 200 people, amid a sharp exchange of words with neighbouring Pakistan over its handling of Islamic militants.

Pakistan's foreign minister warned against a "knee-jerk" reaction blaming his country for the worst such attack in India in more than a decade, which also wounded more than 700 people, many of them seriously.

Anti-terrorist police scoured hotels as well as homes searching for signs of Mumbai's train bombers but admitted they had no concrete clues as to their whereabouts.

"We have particular leads but nothing concrete," said senior Mumbai police officer Jayjit Singh.

In a nationally televised address Wednesday night, Indian Prime Minister Manmohan Singh said India would stand united and not bow to terrorism.

"This is not the first time that the

enemies of our nation have tried to undermine our peace and prosperity," Singh said. "They have not yet understood that we will never let them win."

He did not mention Pakistan by name, but the Indian foreign ministry lashed out at comments from Islamabad and said Islamic militants continued to use Pakistani territory as a springboard for attacks.

"We urge Pakistan to take urgent steps to dismantle the infrastructure of terrorism on the territory under its control," foreign ministry spokes-

man Navtej Sarna said.

But in an interview with CNN, Pakistani Foreign Minister Khurshid Mahmud Kasuri said India should be careful about trying to attribute the attacks to Pakistan-based militants.

"Why should there be finger pointing every time?" he said.

"India is a vast country. There are attacks in other parts of India, there should not be a knee-jerk reaction that everything happening in India starts in Pakistan."



PHOTO: AFP
Commuters stand in the doorways of a crowded local train as it leaves Churchgate railway station in Mumbai yesterday.



PHOTO: AFP
Pakistani people wade through a flooded street after a heavy downpour in Lahore yesterday. Heavy rain lashed several cities of Pakistan overnight flooding low lying areas. The Meteorological office forecast more rain across the country in the next 24 hours.

Edgy Mumbai looks under train seats

REUTERS, Mumbai

"Brothers look under your seats for bombs or anything," shouted Vinay Diwakar, a commuter on a Mumbai suburban train on Thursday, two days after bombs on the rail network of Mumbai killed 200 people.

Mumbai's commuters are back on the city's packed railways in their millions, but with a sense of unease and suspicion as they try to come to grips with the blasts.

A Reuters correspondent travelling on the city's suburban trains saw commuters checking under their seats, keeping an eye on luggage and even asking passengers to identify their bags.

"Suspect everyone and look for a potential bomber," Diwakar, a 47-

year-old lawyer, told fellow passengers on a train to downtown Mumbai on Thursday.

Mumbai's suburban railway -- the mainstay of the transport system -- is a picture of jam-packed round-the-clock crowds.

Each nine-car train carries some 5,000 passengers during peak hours, nearly three times the official capacity, with some even travelling on the roof.

Some people stayed away from work the day after the blasts, but the trains seemed as packed as ever on Thursday.

"Our trains are so crowded that it is difficult to monitor everyone. Even police can not do it. But we should try to be vigilant," said Sanjay Mohite, another regular commuter.

Myanmar warns people against unrest

AFP, Yangon

Military-run Myanmar has warned people against causing unrest on an upcoming independence anniversary, state media reported yesterday, and accused pro-democracy activists of associating with "terrorists".

The junta, which rarely refers to the opposition National League for Democracy (NLD) by name, accused the party of working with foreign groups to destabilise the country.

"Members of a political party and its followers are plotting to destabilize the country by distributing agitative leaflets and through demonstrations in collusion with destructive groups sent by terrorists," the state-run New Light of Myanmar newspaper said.

"Destructive elements and saboteurs and expatriates are using Martyrs Day, which falls on July 19, as a tool."

Martyrs Day commemorates Myanmar's nine independence leaders who were killed on July 19, 1947.

The so-called martyrs include Aung San, father of Aung San Suu Kyi, the NLD's leader under house arrest in Yangon.

UK, Afghan troops fight Taliban holdouts

19 rebels killed

AP, Kandahar

British and Afghan forces battled Taliban holdouts yesterday after repelling a brazen insurgent attack on a police headquarters a day earlier in a southern Afghan town, killing at least 19 militants, a local official said.

Coalition forces also killed a local Taliban commander and captured two extremists in a separate clash in southern Afghanistan, where thousands of foreign troops are trying crush a resurgent militant campaign, the US military said Thursday.

Some 200 militants, driving four-wheel-drive vehicles, poured into the Helmand provincial town of Nawzad around midday Wednesday and set up positions around a police compound where Afghan soldiers and police, along with coalition forces, were based, spokesman Ghulam Muhiddin said.

"The Taliban surrounded this area, including a nearby bazaar, and told all their shopkeepers to leave before attacking the compound with small-arms fire and rocket-propelled grenades," Muhiddin told The Associated Press.

Soldiers and Afghan forces inside the compound returned fire,

said coalition spokeswoman Capt. Julie Roberge. Coalition warplanes launched several airstrikes, killing 12 militants in a vehicle and another seven near the compound, Muhiddin said.

British spokesman Capt. Drew Gibson said coalition aircraft dropped two 500-pound bombs on two Taliban targets in Nawzad, including a machine-gun position that was destroyed. He had no details on militant casualties.

The attack was one of the largest since a March 29 Taliban raid on a coalition base in Helmand's Sangin district that left more than 30 militants and a US and Canadian soldier dead.

"We have gone right into the Taliban's territory and reduced their freedom of movement and that has provoked a reaction," Gibson said. "When you rattle cages, you are going to get a reaction."

In neighbouring Musa Qala district, insurgents fired rocket-propelled grenades and machine guns at coalition troops, who returned fire and killed local Taliban commander Mullah Saeef, the US military said. Two insurgents, including one who was wounded, were captured in the fighting Wednesday.