

China Factor in India-Nepal Relations (1955-1972)

Paper Submission: 14/08/2021, Date of Acceptance: 25/08/2021, Date of Publication: 26/08/2021

Abstract

The fundamental explanation of Chinese presence in Nepal is to ensure that Nepalese territory isn't utilised by Tibetans for rearing of discontent. In the initial years, from 1955s to 1972s, the Chinese attempted to fabricate an economic presence in Nepal, which got improved colossally post 1990. China has made advances into Nepal in infrastructure, education and health sectors and has expanded support with Nepal at the economic front.

Keywords: Gurkha, Kiratis, Kosi Project, Aide Memoire Foist, A Nehru Doctrine, Calcutta Port.

Introduction

India's strategy towards Nepal is one of the two ward factors in this study. However immediately after independence, India was defied with genuine home-grown issues; it couldn't bear to keep a disposition of peaceful separation towards Nepal due to Nepal's inside turbulent conditions, the ascent of communism in China and the development of assailant China into Tibet. Under the conditions winning around then, India embraced an approach towards Nepal which was directed by four principle contemplations. They were: first, to get Nepal far from cold war strains; second, to advance the course of democratization in Nepal; third, to help Nepal in accomplishing its political stability and economic prosperity as an instrument of successful assurance against any foreign infringement; and fourth, to ensure Nepal's security from the communist menace that may ultimately create from the Chinese side.

Aim of The Study

The main aim of the China factor in India-Nepal relations during 1955-1972 periods was to convolute India's relationship with the Himalayan kingdom to restrict New Delhi's ability to make a powerful move outside the South Asian region.

Main Text of The Study

Interval

Even after the departure from India in 1947, Britain had its own axe to grind in Nepal. To Britain Nepal provided a recruiting ground for Gurkhasoldiers for its army even after India's independence. The United States, guided by its own policy of fighting communism all over the world, took a keen interest in Nepal after the establishment of a communist government in China. Although independent India did not prevent Nepal from breaking its hermetically sealed position by broadening its diplomatic relations with the United States in 1948 and France in 1949, New Delhi realized that a free hand to the activities of foreign powers might throw Nepal into the vortex of cold-war politics. This might eventually prove to be a menace to India's own security. Jawaharlal Nehru, therefore, declared in the Indian parliament on 6 December 1950 that India had an intimate relationship with Nepal and that it could not tolerate any foreign intervention in that country.¹

As far as promotion of democratization is concerned, it might be noted that the autocratic Rana regime in Nepal was obviously an anachronism in the twentieth century. Nepal's political problem under Ranacracry was very complex. Both kingship and premiership were hereditary. But the king was merely a titular head. He was just like a prisoner. He was deliberately debauched, heavily guarded and kept out of sight. He enjoyed no real authority. All political powers, since 1846, had been concentrated in the hands of the Ranas. The wind of political reform from India had stirred the educated Nepalese from their slumber. The Indian freedom movement had inspired the Nepalese to revolt against Rana autocracy. Though some groups of exiled Nepalese had carried on a kind of anti-Rana agitation from India for a long time, in the context of various repressive measures adopted by the government of British India to help eliminate threats to Rana autocracy, Nepalese nationalist leaders could not build up any active

Ajaz Ahmad Khan
ICSSR Post-Doctoral
Fellow
Dept. of Political
Science,
Centre of Central
Asian Studies
University of Kashmir,
Srinagar, J&K, India

movement. But the situation had undergone a complete change with the establishment of a nationalist government in India.

From the very beginning free India stood for democratization of Nepal. As a result of India's diplomatic activity King Tribhuvan, the Ranas and the Nepali Congress finally accepted a compromise plan, known as the Delhi settlement, for an interim coalition government in February 1961.

India also helped Nepal to maintain internal stability and to promote economic prosperity. For example, Indian forces were sent three times—once in February 1951 when K. I. Singh revolted against the compromise settlement negotiated by India, another in April 1951. When the Kiratis in the eastern hills adopted a menacing attitude towards the central government, and again in July 1953 when about seven hundred insurgents led by Bhimdutta Pant rose in revolt in western Nepal and captured the government treasury, to quell lawlessness and to restore peace in Nepal.

The Indian government offered such help because Nepal's internal stability was a matter of close concern to India. For any prolonged civil strife, chaos and turbulence in Nepal would have disturbed the tranquility of India's Border States. It was during these internal upheavals in Nepal that the government of India sent an Indian military mission to Kathmandu on 17 February 1952,² for the reorganization and modernization of the Nepalese army.³ Having an Indian force in Nepal had also the additional advantage of offering India an opportunity to keep a better watch on the Chinese activities on the Nepalese border.

India also took a keen interest in promoting the economic prosperity of Nepal. On the request of the government of Nepal, the government of India undertook to build an airport on the meadow of Caucher, five miles from Kathmandu, and a road linking Kathmandu with Raxaul. The construction of both projects began in 1953. This was the beginning of the programme of Indian assistance which, with the passage of time, began to swell in volume and coverage. Consequently, a full-fledged Indian Aid Mission was set up in Kathmandu in 1954.

Gaucher airport was built by Indian army engineers and was completed nine months ahead of schedule. By 1954 it was developed into a permanent all-weather airport. It was the major communication project under the Indian aid programme where the cost incurred had been about Rs. 70 Lakhs.⁴

The second communication project, the 72-mile long Tribhuvan RajPath, started in 1953 had been completed by Indian army engineers in 1956 with an approximate cost of Rs. 700 lakhs in Nepalese currency.⁵ The Tribhuvan RajPath, the first national highway of Nepal, had proved its utility being almost a life-line in Nepal's economy. It constituted not only the main gateway to and from India, but also linked up Kathmandu with other parts of Nepal which were hitherto unconnected. It also opened the Kathmandu market to trade with India.⁶

Assuming that aid from one country to another was seldom inspired by philanthropic

motives. India aid in Nepal could be seen as a foreign policy tool designed to serve a number of purposes. The main objectives of Indian aid were: first, to assure Nepal's political stability through economic growth; second, to emphasize India's special relationship with Nepal by strengthening the economic ties between the two countries; third, to gain the goodwill by winning the support of the people and the government of Nepal and finally, to advance India's strategic interests by accomplishing at least a partial fortification through an aid programme.⁷

Again, it was during this period that Jawaharlal Nehru visited Kathmandu in June, 1951, India and Nepal signed an extradition treaty in October 1953,⁸ and both countries negotiated an agreement on the Kosi project in April 1954.

Jawaharlal Nehru expressed the anxiety and stand of the government of India in a speech made in the Indian parliament on 17 March 1950. He said:

"...in so far as certain developments in Asia were concerned, the interests of India and Nepal are identical. For instance, to mention one point, it is not possible for the Indian government to tolerate any invasion of Nepal from anywhere even though there is no military alliance between the two countries. Any possible invasion of Nepal...would inevitably involve the safety of India".⁹

Again, reaffirming India's stand on 6 December 1950 Nehru declared:

"Our interest in the internal conditions of Nepal has become still more acute and personal, in view of the development across our borders, in China and Tibet. Apart from our sympathetic interest in Nepal, we are also interested in the security of our own country. From time immemorial, the Himalayas have provided us with a magnificent frontier. Of course, they are no longer as impassable as they used to be but they are still fairly effective. We cannot allow that barrier to be penetrated, for it is also the principal barrier to India. Much as we stand for the independence of Nepal, we cannot allow anything to go wrong in Nepal or permit that barrier to be crossed or weakened, because that would be a risk to our security..."¹⁰

In order to meet the new challenge posed by the Chinese occupation of Tibet, India endeavored to enter into treaty relations with Nepal, guaranteeing its sovereignty and territorial integrity. After protracted negotiations the Indo-Nepalese treaty of peace and friendship was signed on July 31 1950 in Kathmandu.¹¹

Under the treaty the two governments agreed mutually "to acknowledge and respect the complete sovereignty, territorial integrity and independence of each other".¹² They also agreed, under article 2 of the treaty, "to inform each other of any serious friction of misunderstanding with any neighboring state likely to cause any breach in the friendly relations subsisting between the two governments".¹³ Article 5 of the treaty provided that the government of Nepal "shall be free to import, from or through the territory of India, arms, ammunition or war like material and equipment necessary for the security of Nepal".¹⁴ Along with the treaty, letters had been exchanged between the

two countries in the course of which it had been stated that neither government would tolerate any threat to the security of the other by foreign aggressor and to deal with any such threat, the two governments would consult each other and devise effective countermeasures.¹⁵

Even when the government of India had concluded an agreement with China on Tibet in 1954, New Delhi had made it clear that it had no intention to share Nepal as a sphere of influence with China and China was believed to have recognized Nepal as falling within India's sphere of influence. This was clearly indicated in the Aide Memoire that had been submitted to a Nepalese minister by the government of India on 8 May 1954. The provisions of the Aide Memoire, as disclosed by a Nepalese weekly *Jhyali*, included among other clauses that India and Nepal would coordinate their policies in foreign and international affairs; that the government of Nepal would seek advice and opinion from the government of India on matters of establishing diplomatic relations with any foreign country; and that Nepal's relationship with Tibet and China would be guided by the advice of the Indian government.

Moreover, it was on the advice of India that Nepal became ready for the revision of the Nepal-Tibet treaty of 1856.¹⁶

However, India's policy at this stage seemed to be marked by dual approaches. On the one hand, it advised Nepal to regularize its relation with China over Tibet. On the other hand, India was convinced that Sino-Nepalese agreement on Tibet would add more to its worries in Nepal. Hence it was thought necessary to take adequate step[s] to prevent the infiltration of communist's agents from across the border into Nepal. With this end in view, India suggested in May 1954 the Nepalese Home Minister, T. P. Acharya announced that the government of Nepal had proposed to establish police posts in the Himalayan region and the Indian government had agreed to lend to the government of Nepal personnel to man the outposts and the necessary wireless equipment to help them maintain contact with Kathmandu.

India's Help in Nepal's General Elections

In pursuance of its objective, India helped to a great extent in holding general elections in Nepal. At the request of the Nepalese government, since October 1954 an Indian adviser on elections had been working in the Indian Aid Mission.¹⁷ He still continued to assist the Nepalese government in the delimitation of constituencies, revision of electoral rolls, training of electing staff and the collection of election materials.¹⁸ In 1956 Indian officials, publicity literature and documentary films on Indian elections were sent to Nepal at the request of the Nepalese government.¹⁹

But this was also a period when China began to extend its influence over Nepal by establishing diplomatic relations, providing aid without any conditions attached and frequent exchange of visits. The establishment of Sino-Nepalese diplomatic relations caused little alarm in India because the government of India believed that it would be several decades before

China. With its extensive internal problems could and would turn its attentions to the south-west.²⁰

But when T. P. Acharya, the then Prime Minister of Nepal, visited Peking in 1956 and concluded an economic assistance agreement with the Chinese government, grave concern was expressed in India. The Indian press circles received the Sino-Nepalese aid agreement with a rude shock. Indian newspapers expressed the sense of concern not only about the security of Nepal but also of India. It was maintained that the government of Nepal had overplayed its hand by going out of its way to sign an economic deal with China. Nepal did not possess the organization to absorb even the aid India was providing. A deal with China was, therefore, interpreted as a political move. It was believed that Nepal, being a buffer state between democratic India and communist China wanted to exploit both countries by creating unhealthy rivalry between them, forgetting completely that there could be "no buffer between communism and democracy".²¹ The fear was also expressed that much of the cash aid would go into "the pockets of the ruling clique" and would be used "for political propaganda".²²

Indian President's Visit to Kathmandu

The government of India's response to the Chinese move in Nepal was immediate. It not only hurried to send its president Dr. Rajendra Prasad on a four-day goodwill visit to Kathmandu in the latter half of October 1956, immediately after Tanka Prasad's return from China, but also extended an official invitation to the Nepalese Prime Minister to come to Delhi. The Indian President reached Kathmandu on 21 October 1956.

The significance attached to the Indian President's visit to Kathmandu is highlighted by the fact that it was his first trip to a foreign country since assuming office in 1950. Moreover, he was the first head of a foreign state visiting modern Nepal. A devoted religious Hindu of quiet temperament, President Prasad's visit to the Hindu Kingdom of Nepal was intended to strengthen the emotional attachment of the religious Nepalese people to India.

Throughout his visit the President reiterated the common bonds of the two countries in tradition, culture and religion,²³ and thereby tried to impress upon the Nepalese the need for closest cooperation between India and Nepal. He also expressed more than once India's readiness to render assistance to Nepal. Replying to an address of welcome at a civic reception on 21 October 1956 he declared that India was prepared to help Nepal in all its development plans.²⁴ With a view to remove the Nepalese fear of aggression from the Indian side, Dr. Prasad, at a banquet ceremony on 22 October 1956, made it clear that India had no territorial ambition and that it did not want to interfere in the internal affairs of other countries.²⁵

The impact of the Indian presidents' visit, however, fell short of Delhi's expectation. While he received an enthusiastic welcome in Kathmandu and attracted a huge crowd wherever he spoke, his remarks that "your friends are our friends and our friends yours" and that "any threat to the peace and

acuity of Nepal is as much a threat to the peace and security of India,"²⁶ created some misunderstandings in some sections in Nepal. This seemingly innocuous remark of the President, instead of allaying Nepalese suspicions about India's aggressive designs was interpreted to mean by some political leaders that India regarded Nepal as a "Satellite" and that it was trying to "foist" its "own enemies on Nepal".

Clarification of India's Stand during Acharya's Visit to India

Again, When T.P. Acharya paid a state visit to India in December 1956, the *Hindu* observed in its editorial that while Nepal was an independent country and had the right to enter into friendly relations with all countries, public opinion in India would naturally be reluctant to believe that Nepal could ever be more friendly with any other country than it could be with India. Nor was any other country, it added, in a better position than India to help Nepal in its economic development.²⁷ Probably this was an apt reflection of the Indian attitude towards Nepal and Nepal's foreign relation. It was also significant to China and to Sino-Indian friendship, this reference was altogether absent from the speeches of the Indian officials during Acharya's visit to Delhi. Nehru, however, assured the Nepalese Prime Minister that India was only interested in the freedom and progress of Nepal.²⁸

India's Economic Assistance to Nepal

India also felt concerned at Chou En-lai's visit to Nepal, the Chinese economic assistance, and the growth of Chinese influence in Nepal because it was clear by then that such influence might pose a threat to India's interest there. Of course, India could not directly object to the extension of Chinese aid to Nepal. But New Delhi did try to counteract its effect by increasing the amount of its aid and economic project in Nepal during this period. In August 1956 the government of India Covered aid of Rs 10 crores for financing the projected five year plan of Nepal.²⁹ In June 1957, India promised to offer Rs. 50 million on building 900 miles of roads. In November 1958 India undertook to execute a hydro-electric project near Trisuli Bazar, 30 miles north-west of Kathmandu, at a cost of Rs 2.5 crores.³⁰ Besides, the Indian government agreed on Nepal's request to provide for the services of an architect to advise the Nepalese on technical points regarding the layout plan and architectural designs for building of the university campus in Kathmandu and of an experienced person to advise them on university administration.³¹ India also donated Rs. 5 lakhs for effecting necessary reforms in the Trichandra College.³²

Thus the introduction of the Chinese aid programme in Nepal had an important bearing on Indian aid projects in the sense that it instilled a spirit of competition in the Indian Aid mission in Nepal and its activities were speeded up. The progress report of Indian projects in Nepal between December 1957 to August 1958, as laid down on the table of Indian parliament on 8 September 1958, included a number of impressive items.³³

Besides, India helped Nepal in various ways during this period. In March 1955 Nepal faced a new economic crisis. In certain parts of the eastern Terai and hill districts, economic distress of the people grew apace day by day. The government of India supplied 10,000 tons of rice valued at Rs, 40 lakhs to help Nepal overcome the immediate food crisis. The Indian government also placed at the disposal of the Indian ambassador in Kathmandu, Rs, 50,000 out of the Prime Minister's relief fund to give assistance to the needy people in the famine stricken areas.³⁴

India's contributions to Nepal's trade during this period had also been immense. As a gesture of special relations with and goodwill towards Nepal, the government of India did not levy customs duty on goods imported from and exported to Nepal, though it was permitted to do so. But customs duty at the same rates as were prevailing in India was collected on foreign goods going to Nepal. The amount thus collected was credited to the government of Nepal. This arrangement vitally contributed to the economy of Nepal.

Nehru's Visit to Nepal

In these circumstances, India's relations with Nepal assumed greater importance and this was evident from Nehru's three-day official visit to Kathmandu in June 1959. His visit was, in part, a gesture of goodwill to the new government headed by B. P. Koirala which was formed in the last week of May 1959. But it acquired great significance in view of the menace which had begun to cast an ominous shadow over the peace and tranquility of the Himalayas. It was significant that Nehru visited Nepal in 1951 when a great change had taken place in both Nepal and Tibet and that he was visiting now when another great change had come about. He met separately with both kings. Mahendra and B. P. Koirala to discuss (i) Strengthening of Nepal's' northern border posts with the assistance of Indian personnel, (ii) revision of the 1950 treaty, (iii) Indian economic assistance, and (iv) the Tibetan situations.

The joint communiqué, issued by the two Prime Ministers on 14 June 1959, affirmed an "identity of views" of the two countries whose policies, both in the international and in the domestic spheres, were animated by similar ideals and objectives".³⁵ In what was widely interpreted as a reference to Tibet, the communiqué asserted that the two Prime Ministers were convinced that "in the interest of peace as well as national and human progress, no country should be dominated over by another and colonial control in whatever form should end"³⁶ The communiqué concluded with the comment that "there is no conflict of interest between the two countries and they face similar problems and have common approaches"³⁷

It was true that Nehru had been given a warm welcome on his arrival in Kathmandu. But soon after his departure from there, the opposition parties and pro-China elements began to raise alarms. The critics vehemently attacked the joint communiqué which, issued during Nehru's visit to Kathmandu, referred to an "identity of views" between India and Nepal. They raised the

objections that the joint communiqué constituted an abandonment of the policies of "equal friendship to all" and "non-alignment in the Sino-Indian dispute". T. P. Acharya, in particular, accused the Indian government of having deliberate designs against Nepal's independence and sovereignty and charged that Koirala had completely merged Nepal's foreign, defense and financial policies with those of India.

Nehru's Declaration

Meanwhile, mounting tensions on the northern frontiers had taxed the ingenuity of the Indian government to the utmost. Public opinion in India was agitated over the reported Chinese incursions into Indian and Nepalese territories. China was actively engaged in catching Nepal in its diplomatic trap. Jawaharlal Nehru, faced with growing disquiet over such happenings declared in the Lok Sabha that "any aggression against Bhutan or Nepal would be considered by us as aggression on India".³⁸ Nehru's reference to the whole range of Himalayas as the line on which India meant to stand made his declaration one of great significance, for it implied a general conception of defence of the Indian subcontinent. It was termed as "A Nehru Doctrine" and was interpreted as a warning not only to China not to invade Nepal, but also to Nepal not to yield to China.³⁹

Nevertheless, the impression gained ground that the Indian attitude towards Nepal reflected a lack of imagination and understanding of the new sensitiveness which was growing in Nepal. Perhaps as Nepal had become fully independent, the current of extreme nationalism ran so high there that any suggestion regarding Nepal's subservience to India was resented as a slur on national independence. The Nepalese were not prepared to reconcile themselves to any suggestion that might even remotely imply Nepal's sovereignty being second class sovereignty. But Nehru's reference to Nepal and Bhutan in the same breath created the confusion that Nepal had been placed on the same level as Bhutan, though there was a distinct difference in India's relations with them. As a consequence, Nehru's declaration touched off considerable public opinion in Nepal. Super patriots in Nepal became incensed over Nehru's statement and described it as "a diplomatic invasion" or "a jolt to Nepal's sovereignty". T. P. Acharya accused India of "extreme highhandedness" and of ignoring the independent existence of Nepal.⁴⁰ He wondered whether in the name of Sino-Indian dispute, an attempt was not been made by India "to move troops into Nepal".⁴¹

The new situation created by Nehru's statement posed a dilemma to B. P. Koirala. Knowing India's intentions as he did he could not have regarded Nehru's statement as interference in Nepal's affairs? But if he had kept silent he would have faced opposition at home from parties and individuals who were bent on misrepresenting the Koirala government as a puppet of the Indian government. He, however, met the uproar in Nepal with a tactful assertion that Nehru's statement was "an expression of friendship" and it did not mean that "India could take unilateral action". He also added that Nepal was "at peace with everybody"

and that it had no apprehension of "any aggression from any quarter". Continuing further he said that such a situation had not developed for Nepal to seek anybody's help and in the event of any aggression Nepal had "a number of friends" and Nepal was "also a member of the U.N". When he was asked whether the Indian army would come into Nepal if China violated its territory, Koirala quickly replied that "Nepal and not India" would decide if there had been "any aggression on Nepal".⁴²

Koirala's statement was a clear reflection of his difficult position. He seemed to have denied any special obligation on the part of India to defend Nepal against aggression. His statement, which seemed to minimize the Chinese potential and actual threat, also created the impression that Nehru's statement was "inopportune, if not injudicious".⁴³

"Neither Government shall tolerate a threat to the security of the other by foreign aggressor. To deal with such a threat, the two governments will consult each other and devise effective countermeasures".

He however, made it clear that this clause did not constitute "a military alliance" and that there was no question of India taking any unilateral action with regard to Nepal". In this connection he described Koirala's statement as "entirely correct". Consultation with B. P. Koirala

This event added to the urgency for renewed discussions between the two governments. Hence on the invitation of Jawaharlal Nehru. B. P. Koirala undertook an official visit to India in January 1960. The government of India accorded him a red carpet reception ostensibly to reassure the Nepalese that India recognized their absolute and complete independence, or, indirectly to show the Chinese that Indo-Nepalese friendship was indissoluble.⁴⁴ Nehru held a secret talk with Koirala where none other than the Nepalese Home Minister was present. The talk lasted for two hours and ten minutes.⁴⁵ This resulted in a satisfactory understanding between New Delhi and Kathmandu. In a joint communiqué issued on 28 January 1960, the two Prime Ministers reaffirmed their vital interest "in each other's freedom, integrity, security and progress" and agreed to maintain "close consultation in matters of common interest".⁴⁶ In a press Conference at Chandigarh on 31 January 1960 before returning to Kathmandu, B. P. Koirala ruled out the necessity of a military alliance between India and Nepal. He said that any joint defense pact between such close friends as India and Nepal would be "worse than useless".⁴⁷

Thus Nehru's consultation with B. P. Koirala helped in clearing many illusions between the two countries and fostered new understanding at the highest official level. The magnificent manner in which total understanding had been reached also dispelled the belief that Nepal was hesitant about equal partnership with India.⁴⁸

India's Effort to Maintain Close Relations with Nepal in Non-Political Field

The Gandak Project Agreement

The first move in this direction was made when the government of India concluded an agreement with the Nepalese government on the Gandak Project on 4 December 1959. The multi-purpose Gandak Project Agreement envisaged the construction of a barrage across the river Gandak at Bhaisalotan on the border of Nepal and Bihar.⁴⁹

Thus Nepal was given the facility of getting water and electricity at absolutely no expense. As an evidence of its friendly feelings towards Nepal, the government of India provided every possible concession for the development of Nepal. But even this helping attitude of the government of India became a subject of severe criticisms on the part of pro-Chinese elements in Nepal. T. P. Acharya charged that B. P. Koirala was being subservient to India and predicted that the Nepali Congress government would handover "all our streams and rivers and the areas around them, to others".⁵⁰ The pro-Chinese communists in Nepal maligned India as "treacherous and hypocritical". They accused India of "foisting its own terms on Nepal".⁵¹

Revision of Trade Treaty

The second move made by the government of India was to agree to the revision of the trade treaty which had been concluded in 1950 with the last Rana Prime Minister, Mohan Shamsher. Under that treaty Nepal's foreign trade was tagged with that of India. Nepalese merchants could not export or import goods from countries other than India without the permission of the Indian government. The government of Nepal had no right to establish a separate foreign exchange account of its own. This treaty had been a constant source of irritation of Nepalese politicians. They regarded it as an effort to Nepal's independent and sovereign status and often alleged that it constituted proof of India's desire to dominate Nepal's economy. With a view to gain the goodwill of Nepal, the government of India concluded a new treaty of trade and transit on 11 September 1960 which aimed at encouraging the collaboration between the two countries in economic development and facilitating trade with third countries.

Vide this treaty goods from either country intended for consumption in the other would be exempted from custom duties and other charges as well as from quantitative restrictions subject to mutually agreed exceptions. It was, however, conceded that in the interests of its industrial development, Nepal might levy protective duties or quantitative restrictions on goods produced by its newly established industries or import-export duties on trade with India in order to raise its resources for economic development. At the same time, the existing arrangement for refund of central excise on goods exported from India to Nepal was not disturbed. Nepal was allowed to pursue a trade policy divergent from that of India. Kathmandu was also permitted to import from a third country by using its own foreign resources. It was provided that the transit of goods through India from and to Nepal would not be subjected to unnecessary delays or restrictions and that traffic in transition would also

be exempt from custom duties. The treaty would be effective for five years, on the expiry of which it might be renewed for another five years. Thus the new trade treaty freed Nepal from many restrictions. It enabled Kathmandu to regulate its "internal fiscal policies according to the country's own needs".⁵² India's Economic Assistance

Besides, India continued its normal policy of economic assistance to Nepal. In October 1959 India promised, by signing an agreement with Nepal, to pay Rs 3 million for local development and rural welfare projects in Nepal.⁵³ In January 1960 the government of India announced to offer financial assistance to the extent of Rs 18 crores to help Nepal's second development plan. Which was then in operation.⁵⁴ In August 1960 India signed five more project agreements with Nepal which provided for development of an engineering school and an industrial estate and for projects in horticulture. Veterinary services and forestry. India also agreed, in October 1960, to assist Nepal in the establishment of the national archives at an estimated cost of Rs. 104 lakhs.

India's Reaction to the Royal Coup

Jawaharlal Nehru's first comment was merely an expression of regret at this "set back" to democracy,⁵⁵ but he was more explicit a few days later when he described the king's allegation against the Nepali Congress as "vague charges" and characterized the coup as "a complete reversal of democratic process".⁵⁶

Though New Delhi criticized the King's action, it was not completely against the anti-royal regime. This was evident from the several steps it took in the first half of 1961 that had the effect of bolstering the king's regime. For instance, instead of stopping economic assistance to Nepal, India continued it. In April 1961 India gave Rs. 13.2 million as an aid to Nepal for village development, irrigation, small power plants and local development work. In May 1961 Indian government agreed to remove some of the difficulties that the Nepalese still faced in the transit of goods through India to Nepal.⁵⁷

The dismissal of the Koirala government and India's adverse reaction to it had brought about a great deal of strain on Indo-Nepalese relations. Nehru's sharp comments let loose a new wave of anti-Indian campaign in the Nepalese press circles.⁵⁸ Printed leaflets abusing India and Indian leaders with the headline "vulture eyes of some Indian leaders on Nepal" were reported to have been distributed in Kathmandu.⁵⁹

At the official level the king adopted the tactics of allowing one minister to be pro-Indian and another to be anti-Indian. Thus at this stage while the foreign Minister, Dr. Tulsi Giri, took conciliatory position towards India,⁶⁰ the Home Minister, Vishwa Bandhu Thapa, was outspokenly critical of New Delhi.⁶¹ India's Reactions to the Road Agreement

The road agreement came as a bombshell to India. New Delhi felt aggrieved and disturbed at the general drift of a traditionally Indian-oriented neighbor towards Peking. It viewed the road agreement as fraught with dangerous consequences. The road would expose Nepal to a new danger from across its northern border. Chinese troops might swoop in along it and the

Nepalese army would be able to put up only a token resistance. It would also pose a direct threat to India's security, particularly in view of the fact that there was already a road link, the Tribhuvan Raj path, connecting Kathmandu with Raxaul. Further, there was a widespread feeling in India that the road would lead to a considerable increase in Chinese influence in Nepal and open up fresh possibilities of ideological and physical penetration. Finally, India's anxiety became even more acute in view of the fact that the highway would provide China with an easy and virtually free supply route to Lhasa and that much of the goods imported into Nepal might find their way into Chinese hands.

India, therefore, protested: why was the agreement reached with China for the construction of the road? If it was not intended to play off China against India, what purpose would the road serve? Had Nepal plenty of surplus materials to export to Tibet? Why was not India at least informed of it: Nehru's protest note suggested that India had a right to be consulted before Nepal signed the agreement?⁶²

King Mahendra and his advisers were incensed by the Indian assumption to criticize, and by implication interfere with, Nepal's foreign policy. In reply to the Indian protest note, Kathmandu maintained that the road was nothing but an economic measure, intended to provide an additional outlet to Nepal's expanding trade and commerce without detriment to any. As to prior consultation with the Indian government, the king maintained that the question of consultation, provided for in the Indo-Nepalese treaty of peace and friendship, was limited to cases of threatened aggression against the security of either country. There was, therefore, no need of consulting India as this was "Nepal's internal affairs" primarily intended for economic purpose.⁶³ Replying to the Indian apprehension of Chinese ideological, penetration, king Mahendra retorted that communism did not "enter in a taxi cab".⁶⁴

Uprisings by the Nepali Congress and Further Deterioration in India's Relations with Nepal

The widespread but scattered disorders and terrorist acts never constituted a serious threat to the royal regime, but they did contribute to a dangerous deterioration in Indo-Nepalese relations. Kathmandu repeatedly demanded pledges of non-interference from New Delhi as well as guarantee that the rebels would not be granted sanctuary on Indian soil.⁶⁵ New Delhi reassured Kathmandu that no trouble would come to Nepal from India, but it also insisted that it was not possible for it to take legal action against Nepalese political refugees who had not violated Indian law or who were not the subject of extradition procedures initiated by the government of Nepal.⁶⁶

The public dialogue between New Delhi and Kathmandu throughout 1962 continued on this issue. Both Nehru and king Mahendra were aware of this necessity of restoring friendly relations between India and Nepal. But the plate was heaped full with misunderstandings. On the Nepalese side, there was an apprehension that Nepali Congress leaders might receive direct military aid from the government of India. On the Indian side there was fear that Nepal might deal with China behind its back. However unreal this apprehension might have been, they were required to

be removed immediately. The Indian Prime Minister, therefore, invited the king to visit New Delhi for open hearted discussions.

The Nehru-Mahendra Meeting

King Mahendra, accompanied by Tulsigiri, came to New Delhi on 18 April 1962 for a six-day visit. The meetings between Nehru and Mahendra were marked by frank exchanges. A joint communiqué issued on 13 April 1962 declared that Nehru had assured the king that while freedom of expression was permitted in India the government of India was against all violent or any unlawful activities of any sort.⁶⁷ They agreed to consult together on appropriate measure of mutual assistance at the request of either party.⁶⁸ Finally, they also agreed that in the event of difference of opinion between the two governments, senior officials of the two countries would hold joint informal inquiries to settle facts.⁶⁹

Rishikesh Shaha made tireless efforts to improve Indo-Nepalese relations. On 4 September 1962 he flew to New Delhi for a series of talks with Indian leaders. He met Nehru on 6 September and returned to Kathmandu on 15 September with a letter from Nehru to king Mahendra. But while he was still in New Delhi, Nehru told newsmen in London on 9 September 1962 that the Indian government could not prohibit Nepali Congress leaders exiled in India from expressing their views peacefully and that he had advised king Mahendra to improve the situation by conducting friendly negotiations with the rebels.⁷⁰

Nehru's statement raised a storm of protests in Nepal. In the wake of a series of stormy cabinet meetings presided over by the king himself, Shaha was dropped from the ministry and the hard line towards India was revived. The king himself charged that "anti-national elements have been receiving all kinds of aid, cooperation and facilities from India".⁷¹

But when it became convinced after the dismissal of Shaha that the king was not disposed to change his policy, New Delhi imposed an unofficial and undeclared blockade of Nepal.

Personal Diplomacy

The first move in this direction was made by LalBahadurShastri, the then home Minister of India. He went to Kathmandu on 2 March 1963 for a four-day goodwill visit. Before Shastri's visit Bhagavan Sahay and Karan Singh had visited Nepal to break down the wall of misunderstanding between the two countries. Their visit did a fair amount of preparatory and useful work in patching up quarrels. Still Shastri visited Kathmandu at a time when the atmosphere was polluted with doubts and suspicions.

Shastri had a series of talks with king Mahendra, Tulsigiri and V. B. Thapa. He listened to the complaint with understanding, sympathized with difficulty and explained India's position with sincerity and straightforwardness. The joint communiqué, issued on 5 March 1963, emphasized that both India and Nepal were sovereign nations and India had no desire other than to have "the friendliest relations" with Nepal. It was agreed that "frank consultation" on all issues of common interest would be continued "to file small differences".

It was in line with this approach that from 1963 to 1972 India's relations with Nepal were placed

upon a new footing by the visit of several Indian leaders to Kathmandu.

Such frequent contacts at the higher level served more than one purpose. Firstly, they enhanced mutual goodwill, eliminating mutual doubts and suspicions. Secondly, they helped one in getting better acquainted with the other. Thirdly, they enabled both to understand each other's problems much better. Fourthly, they provided not only public gestures of amity but also resolved most of the political and economic issues that had previously discredited relations between the two countries. India, which had watched with dismay Nepal's drift towards China, appeared to have successfully mended its fences with Nepal. It seemed that Nepal, traditionally within Indian sphere of influence, having reached a king of Yugoslav position between its two powerful neighbors, was now learning rather more towards the side to which it naturally belonged.⁷²

Economic Cooperation

India's growing sense of cooperation also found expression in the field of economic cooperation. In August 1963 the government of India agreed to assist in constructing a 130 mile road from the border of Sonauli near Gorakhpur in U.P. to Pokhara in central Nepal. In August 1964 India increased its supply of iron and steel to Nepal by 40% in order to accelerate work in Nepal's development projects.⁷³ In September 1965 the government of India extended to Nepal a loan of Rs one crore in Indian currency which would be used to levy capital goods in India and for investment in and grant of loans to industrial enterprises to be set up in Nepal.⁷⁴ In October 1966 Mrs. Gandhi, during her visit to Kathmandu, announced that India would provide Nepal with an aid totaling Rs 40 crores for Nepal's third plan (1965-70) It also offered to provide machinery for Nepal's proposed paper factory.⁷⁵

The total Indian aid to Nepal up to 1971 was 124.83 crores in Nepalese currency. The utilization of Indian trade in Nepal since 1951 was indicative of the magnitude of Indian aid. From 7.44 crores during the 1951-56 periods, it rose to 10.14 crores during the 1956-61 period, to 33.96 crores during the 1961-66 period and to 74.29 crores during 1966-71 periods.

Others Step to Improve India- Nepal Relations

India had also taken several other steps at various levels to improve its relations with Nepal. To begin with, New Delhi abolished the bond system, which Nepalese traders had found irksome, in 1963.⁷⁶ The following year India agreed to provide unrestricted transit facilities for goods being shipped from one part of Nepal to another via India. In December 1966 New Delhi exempted Nepalese goods in transit through India from Indian laws and agreed to provide a separate and self-contained space for Nepalese cargo at Calcutta Port.

The survey of the recent rapprochement between India and Nepal did not mean that there was complete identity of views between the two countries on international issues and that there were no differences on bilateral problems. At least on four recent occasions the two countries took divergent stands on matters of vital interests to Asia. In Algiers meeting of foreign ministers, for instance, while Nepal's foreign minister Kirtinidhi Bista pleaded for exclusion of Russia in Afro-Asian conference, India moved heaven

and earth to get Russia admitted into the Afro-Asian family. Again, while India, for the first time supported the General Assembly resolution condemning China for suppression of human rights in Tibet, Nepal opposed it.⁷⁷ Further, in 1970 while India opposed Pakistan's admission into non-aligned club, Nepal strongly pleaded in favor of Islamabad, giving pointless affronts to Indian public opinion.⁷⁸ Besides, while initially at least Nepal regarded the developments in East Bengal as an "internal affairs of Pakistan".⁷⁹

Conclusion

This survey of India's Nepal policy during the period under study makes it clear that while New Delhi enjoyed a special relations with Kathmandu up to 1955 it had subsequently to accommodate China in its Nepal gambit in 1955-58 enter into confrontation with Peking during 1959-60 period, face crisis and conflict with Nepal which had the backing of China in 1961-62 and make allowances for the growing sense of nationalism in Nepal in 1963-72.

The survey also makes it apparent that India failed to achieve its goal in Nepal up to 1979. While India aimed to promote democratization in Nepal, Kathmandu adopted the system of benevolent dictatorship. Where it wanted to keep Nepal away from cold war tensions, Nepal became the cockpit of international rivalry. Where it wanted to secure the friendship of Nepal, it earned distrust and suspicion. And where it wanted to advance its security interests in Nepal, the strategic gains New Delhi had achieved earlier by constructing the Tribhuvan Raj Path and the few airfields in Nepal were negated after the completion of the Chinese built Kathmandu Kodari road and the withdrawal of Indian personal from the northern border of Nepal.

One clear cut pattern which emerges from the narration of these historical events is that the weaker the power of India in comparison to that of China, the lesser is its influence in Nepal.

References

1. *Jawaharlal Nehru, India's Foreign Policy (New Delhi: The Publication Division, Ministry of Information and Broadcasting, Government of India, 1961), pp. 435-36.*
2. *Parliamentary Debates, 29 May 1952, pt.1, vol. 1, n. 9, col. 272, p. 326.*
3. *Devkota, Nepal to Rajnaitik Darpan (Kathmandu 1960), p. 137*
4. *Co-operation for Progress in Nepal (Kathmandu: IAM Publication, August 1963), p. 13.*
5. *Ibid, p. 9.*
6. *Asian Recorder, 13-19 July 1957, p. 1542.*
7. *Lok Sabha Debates, 1959 pt. I, vol. VII, n. 12, col. 633 - 4).*
8. *For the text of India-Nepal Treaty of Extradition, See Foreign Policy of India: Text of Documents, 1947 (New Delhi: Lok Sabha Secretariat, 1966), pp. 59-61.*
9. *Foreign Policy of India: Text of Documents, 1947-64, pp. 56-58.*
10. *Ibid.*
11. *Ibid.*
12. *Ibid.*
13. *The Hindustan Times (New Delhi), 4 December 1959.*
14. *Jawaharlal Nehru, op. cit., p. 435.*
15. *Ibid, p. 436.*
16. *The Statesman (Calcutta), 10 May 1954.*

17. *Rajya Sabha Debates*, 27 November 1958, pt. I, vol. 23, n. 3, close. 368-70.
18. *Ibid.*
19. *Lok Sabha Debates*, 9 August 1956, part I, vol. 5, no 19, cols. 1022-4.
20. *The Hindu*, 14 August 1955.
21. *The Hindustan Times*, 9 October 1956.
22. *Ibid.*, 16 October 1956
23. *The Statesman (Calcutta)*, 22 October 1956.
24. *Ibid.*
25. *Ibid.*, 24 October, 1956.
26. *Ibid.*
27. *The Hindu*, 6 December 1956
28. *The Times of India*, 5 December 1956
29. *Keesing's Contemporary Archives*, 23-30, March 1957, P. 15449
30. *Asian Recorder*, 29 November-5 December 1958, p. 2378.
31. *Lok Sabha Debates*, 15 December 1958, p. 2378.
32. *Halkhabar*, 16 July 1958.
33. *Lok Sabha Debates*, 8 September 1958, Series II Appendix 4, Annexure 78, p. 1100.
34. *Asian Recorder*, 16-22 April 1955 p. 181.
35. *Foreign Policy of India: Text of Documents, 1947-46*, P. 341.
36. *Ibid.*
37. *Ibid.*, p. 342.
38. *Lok Sabha Debates*, 27 November 1959, Second Series, vol. 35, n. 10, p. 221.
39. *Thought*, 5 December 1959, pp. 1-2.
40. *Asian Recorder*, 19-25 December 1959, p. 3060.
41. *The Statesman (Calcutta)*, 3 December 1959.
42. *Ibid.*, 30 November 1959.
43. *Thought*, 5 December 1959 pp. 1-2.
44. *Echo (weekly, Kathmandu)*, 19 March 1960.
45. *The Hindustan Times*, 28 January 1960.
46. *Foreign Policy of India: Text of Documents, 1947-46*, pp. 343-4.
47. *Keesing's Contemporary Archives*, 26 March-2 April 1960, p. 17338.
48. *Eastern Economist*, 29 January 1960, pp. 321-2.
49. *Foreign Affair Record*, 22 February 1962, vol. 5, n. 12, p. 397.
50. *Halkhabar*, 8 December 1959.
51. *Ibid.*, 14 February 1960.
52. Y. P. Paut, *Economic Development of Nepal* (Allahabad: Kitab Mahal Pvt. Ltd., 1965), p. 98.
53. *Indo-Nepalese Cooperation for Economic Development: A Review* (Kathmandu: AHM, 1965), pp. 6-7.
54. *Foreign Policy of India: Text of Documents, 1947-64*, pp. 343-4.
55. *Lok Sabha Debates*, 16 December 1960, Series 2, vol. 49, n. 25, col.5975.
56. *Rajya Sabha Debates*, 20 December 1960, vol. 31, n. 17, cols. 2707-10.
57. *Asian Recorder*, 18-14 June 1961.
58. *Halkhabar*, 23 December 1960; *Samaj*, 23 December 1960 and *Samiksha*, 12 April 1961.
59. *The Times of India*, 14 January 1961.
60. *Asian Recorder*, 26 March-1 April 1961, p. 3869.
61. *The Hindustan Times*, 4 May 1961.
62. *The Indian Express*, 7 April 1982.
63. *Gorkhapatra*, 25 April 1962.
64. *bid.*, 16 October 1961.
65. *The Hindu*, 2 February 1962.
66. *The Time of India*, 16 March 1962.
67. *Foreign Policy of India: Text of Documents, 1947-64*, p. 345.
68. *Ibid.*, p. 346.
69. *Ibid.*
70. *Naya Samaj*, 10 September 1962.
71. *Keesing's Contemporary Archives*, 26 January-2 February 1963, P. 19220.
72. *Economist*, 23 November 1963, p. 751.
73. *Keesing's Contemporary Archives*, 31 October-7 November 1969, p. 29387.
74. *Lok Sabha Debates*, 7 November 1966, 3 series, vol. 60. n. s. col. 741, pp. 1513-15.
75. *The Indian Nation*, 7 October 1966.
76. *Asian Recorder*, 26 November-2 December 1936 p.5539.
77. *The Searchlight*, 5 January 1966.
78. *The Times of India*, 26 September 1970.
79. *Ibid.*, 9 September, 1971.