



**DOCUMENTS
ON
NEPAL'S
RELATIONS
WITH INDIA
AND CHINA
1949-66**

EDITED BY

A. S. BHASIN

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To
My Brother
Gurcharan Singh

P R E F A C E

The documents contained in this volume have been reproduced in full/excerpts from original sources of their occurrence which have been indicated at the end of each document.

Every attempt has been made to adhere to the original both in regard to punctuation and proper nouns. Foot-notes have been added wherever necessary. In giving introduction and adding foot-notes, the Editor has tried to stick to the facts as far as possible. But if in so doing any opinion has been expressed or observation made, that is entirely ascribable to the Editor and not to the Government of India or any of its officers or organisations from whom he might have received help.

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A. S. BHASIN

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Some of the periodicals/serials quoted in the sources are as under:

1. *Asian Recorder*: A weekly digest of events in Asia, published from New Delhi (India).
2. *The Commoner*: A Daily newspaper published from Kathmandu (Nepal).
3. *China Today*: Weekly news bulletin of the Chinese Embassy in New Delhi.
4. *Congress Bulletin*: Bulletin of the All India Congress Committee of the Indian National Congress, issued from New Delhi (irregular).
5. *Foreign Affairs Record*: Monthly publication of the Ministry of External Affairs, Government of India.
6. *The Hindu*: A daily newspaper published from Madras (India).
7. *Lok Sabha Debates*: Official record of the proceedings verbatim of the House of the People—the Lower Chamber of the Parliament of India.
8. *Nepal News*: Weekly news bulletin of the Royal Nepalese Embassy in New Delhi.
9. *News from Nepal*: Fortnightly publication of the Ministry of National Guidance, His Majesty's Government of Nepal, Kathmandu.
10. *National Diary*: A fortnightly digest of Indian events; published from Calcutta (India).
11. *Peking Review*: Published weekly from Peking.
12. *Pages of History*: A collection of Proclamations, Messages and Addresses delivered by His Majesty King Mahendra; published by the Ministry of *Panchayat* Affairs, Department of Publicity and Broadcasting, His Majesty's Government of Nepal, Kathmandu.
13. *Rajya Sabha Debates*: Official record of the proceedings verbatim of the Council of States—the Upper Chamber of the Parliament of India.
14. *Survey of China Mainland Press*: Translations of the Chinese press made by the U.S. Consulate-General in Hong-Kong (irregular).

INTRODUCTION

HEMMED in between India and China lies the Himalayan Kingdom of Nepal. It is 54,600 square miles in area and extends some 500 miles from east to west. Its population of about 10 million is broken up into many ethnic groups—Newars, Gurungs, Magars, Rais, Limbus, Bhutias, Tharus, etc. Each ethnic group occupies a distinct area apart from the other. The Newars, a politically conscious mercantile group, are concentrated in and around the Kathmandu valley. The famous Gurkhas, the descendants mainly from the Gurungs and the Magars, inhabit the area west and north-west of the Kathmandu valley. The Rais and the Limbus concentrate in the eastern mountains. Living close to the Tibetan border are the Bhutias and adjacent to the borders of India in the Tarai live the Tharus.

Hinduism which is the most widespread religion in Nepal, made its advent in the wake of Muslim expansion in the plains of north India in the 11th and 12th centuries, when a large number of Rajputs and Brahmins fled northwards in Nepal, and in course of time have got diffused with Buddhism. In the northern region of the country Lamaistic Buddhism similar to that practised in Tibet is prevalent.

The foundations of modern Nepal were laid by Prithvi Narayan Shah in 1769. As the ruler of Gorkha—one of the many principalities into which Nepal was then divided, he conquered the rest of the country and established the Shah dynasty in Kathmandu. The descendants of Prithvi Narayan Shah still rule the country. After his death in 1774 his successors carried the Nepali flag beyond the frontiers of Nepal. By the first decade of the 19th century they had brought Kumaon, Garhwal, the Dun Valley and the Simla Hill States under their control. In the east the Gurkhas overran Sikkim as far as the Tista River.

Nepalese attempts to push northwards in Tibet in 1790-1 were frustrated by the intervention of the Chinese imperial forces on behalf of Lhasa. The Gurkhas were overwhelmed and sued for peace. In the resultant treaty of 1792, Nepal agreed to send every five years a mission to Peking. In 1856 the Nepalese in another war avenged their defeat. Under the treaty of peace, terminating the hostilities, Tibet agreed to pay to the Nepal Durbar an annual tribute of Rs. 10,000 besides other extra-territorial concessions inside Tibet. However, the five-yearly missions, which Nepal had agreed to send to Peking under the 1792 Treaty, continued to visit the Chinese Capital till 1911, when the Manchu dynasty was overthrown and China declared a Republic.

In their southwards expansion the Nepalese soon came into collision with another expanding imperial power, the British East India Company, which after defeating the Gurkhas in the Anglo-Nepalese Wars of 1814-16 bottled them up in the seclusion of the Himalayas. Under the Treaty of Segouli, 1816, the Gurkhas were expelled from the whole of the Tarai lands. The districts of Kumaon and Garhwal, the Dun valley and the Simla Hill States in the West and the "low lands between the Rivers Mitchee and the Teestah"

in the east were ceded by the Nepalese to the East India Company. However, certain ceded areas of Tarai were restored to Nepal in 1816 and 1860 for various considerations. Henceforth peace was maintained between Nepal and British India, the latter respecting the independence of Nepal which was formally confirmed in the Anglo-Nepalese Treaty of 1923. Article I of this Treaty provided *inter alia*: "... the two Governments agree mutually to acknowledge and respect each other's independence, both internal and external".

Lying in the inhospitable and inaccessible area of the world, far away from the hub of the pre-war international politics and shielded by the protective ring that the British Empire and the Great Himalayas had thrown around her, Nepal fell into deep slumber and was content to be left alone. The urge for a political change that had taken the Asian continent into ferment since the turn of the present century, failed to penetrate Nepal. This helped the Ranas to foster and perpetuate their oligarchical rule in the country to the exclusion of the King and everybody else. When in the post-war period great and momentous changes took place around Nepal, which enlivened the dead and cold atmosphere of the Himalayas, Nepal was caught unawares and unprepared to meet the challenge of the time. In 1949, the establishment of a strong and centralized Government in Peking with the declared intention of bringing to its fold the so-called outlying provinces of China, introduced an element of tension in an otherwise peaceful setting. Against the back-ground of this geo-political setting, Nepal has come to assume special importance in the present day world.

In 1949 breaking the shell of isolation, Nepal cautiously stepped out. But soon became the victim of cold-war politics. To take her seat in the comity of nations, Nepal applied for admission to the United Nations in 1949. The Soviet Union objected to her application on the erroneous plea that she was not an independent country and was instead "fully dependent upon the United Kingdom as well as upon India". In a letter of July 22, 1949 addressed to the Chairman of the Committee on the Admission of New Members to the United Nations Organization, Nepal maintained that she was an independent sovereign State. In an Annexure attached to this letter, Nepal gave a historical perspective of her sovereign status. This forms Section I of the present collection.

Section II deals with Indo-Nepalese relations. The documents in this section reflect the compulsions of history and geography which have brought the two countries so close to each other. Situated as she is in the sub-Himalayan ranges, Nepal's gates open southwards. The important Nepalese rivers—Karnali, Gandak, Kosi etc., flow into India. Her lines of communications run southwards and consequently almost all of her foreign trade has been in the same direction. India provided Nepal with the only window on the world before she opened her diplomatic missions abroad. Additionally, Indian ports provide the only outlet for Nepal's products and manufactures to the outside world. The geo-cultural unity of the two peoples is reflected in the open border system. No Indian or Nepali carries a passport or any other travel document to cross the border between the two countries. In the Indo-Nepalese Treaty of Peace and Friendship of 1950, the two governments have agreed "to grant, on a reciprocal basis, to the nationals of one country in the territories of the other the same privileges in

the matter of residence, ownership of property, participation in trade and commerce, movement and other privileges of a similar nature". The geo-political unity of the two countries is reflected in the development of friendly political relations among the governments of the two countries, which at times have been, of course, disturbed by freaks of history and occasional misunderstandings, not uncommon among close friends.

The two countries have recognised the indivisibility of their security in the Peace Treaty referred to above. While in Article I of the Treaty the two countries agreed "mutually to acknowledge and respect the complete sovereignty, territorial integrity and independence of each other"; by Article II, the two countries undertook "to inform each other of any serious friction or misunderstanding with any neighbouring state, likely to cause any breach in the friendly relations subsisting between the two Governments." The letters exchanged simultaneously with the signing of the Treaty provide *inter alia* that "neither Government shall tolerate any threat to the security of the other by a foreign aggressor. To deal with any such threat, the two Governments shall consult each other and devise effective counter measures."

Nepal's efforts to end her isolation were not confined only to the political sphere. She understood the compelling necessity of developing economically. Since 1951 when a new political set up for Nepal was mutually agreed upon among the various contenders for power, Nepal has undertaken enormous programmes for her economic development. Like all under-developed countries, Nepal did not fight shy of accepting economic assistance from other countries in the execution of her developmental programmes. Geographic proximity has determined that India and Nepal should co-operate with each other in the exploitation of natural resources common to both. Hence the joint efforts of the two countries to harness the water resources of the Kosi and the Gandak rivers for the mutual benefit of the peoples of the two countries. To help Nepal to become economically strong and prosperous, India is participating in a big way in Nepal's reconstruction programmes, providing generous economic assistance, both in men and materials for their speedy execution.

Trade is another important matter which has been the subject of constant discussion between the two countries. Nepal's foreign trade has traditionally been confined to India. But in the post-war period trade and commerce have become complementary to political relations. Therefore, it is natural that with the establishment of diplomatic relations with various countries of the world, Nepal should feel the urge to diversify her trade. In spite of some occasional misunderstandings, the two countries, following the path of negotiations, have come to mutually advantageous decisions in regard to trade between the two countries and transit through India of Nepalese goods meant for overseas markets.

In October 1949, the Chinese Communist Party took control of the mainland of China and subsequently established herself in Tibet. Under the Chinese-Tibetan Agreement of May 23, 1951 China recognised the autonomy of Tibet but took charge of her foreign relations. The tribute of Rupees ten thousand which Tibet was paying regularly to Kathmandu under the Treaty of 1856 continued to be paid until 1953. King Tribhuvan in his inaugural address to the Nepalese Advisory Assembly on July 4, 1952 maintained that

“her cordial relations with Tibet had not been affected by the presence of the Chinese in that country”. In 1954 when the tribute did not reach Kathmandu, Nepal protested to Lhasa, which replied that all matters relating to Tibet should be referred to Peking. Following the conclusion of the Sino-Indian Agreement on Tibet in 1954, Nepal drew the obvious lesson, and took necessary steps to normalise her relations with Peking in the light of Tibet’s changed position in the Chinese Republic. As a first step towards this end, Nepal and China announced on August 1, 1955 the decision of the two Governments to establish normal diplomatic relations. Next year the two countries concluded an Agreement on Tibet which abrogated all “treaties and documents which existed in the past between China and Nepal including those between the Tibet Region of China and Nepal”. They agreed to maintain “peace and friendship” between the two countries. The Agreement also prescribed the necessary procedures for trade, travel and pilgrimage for the nationals of the two countries “in order to maintain and develop the traditional contacts between the people of the Tibet Region of China and Nepal”.

The conclusion of this Agreement marked the beginning of a new chapter in the history of Sino-Nepalese relations which forms the subject matter of Section III.

SECTION I

Nepal is a Sovereign Independent State

1. Letter from the Director-General, Foreign Affairs, Nepal to the Chairman of the Committee on the Admission of New Members in the United Nations Organisation, Kathmandu, July 22, 1949

I have the honour to inform you that Major Padma Bahadur Khatri, the representative of the Kingdom of Nepal in New York, has forwarded to me your letter to him dated 26 May 1949, containing the text of the resolution adopted at the 32nd meeting of the Committee on the Admission of New Members, together with the copy of the Working Paper¹ prepared by the Secretariat for the reference of the Committee, and the summary records of the 31st and 32nd meetings² of the Committee at which the application of Nepal was discussed.

I have the honour to enclose herewith a Note prepared by us which sets forth some further information and certain emendations proposed to be incorporated into the Working Paper; and also the additional information concerning Nepal and particularly concerning its sovereignty and independence, which, it is hoped, will satisfy the Committee, and will enable it to forward the application of Nepal to the Security Council together with the Committee's recommendation for its acceptance by the Council.

(SIGNED) BIJAYA SHAMSHER

(Major-General Bijaya Shamsher)

Director-General, Foreign Affairs, Kathmandu.

Reply to Inquiry of United Nations Committee on the Admission of New Members

THE Government of Nepal forwards this reply to the letter of the Chairman of the Committee of 26 May 1949. In that letter the Government of Nepal was informed of the resolution adopted by the Committee on 24 May 1949 requesting additional information concerning Nepal and particularly concerning its sovereignty and its independence³. The Government of Nepal expresses its appreciation of the fact that this resolution was passed in the form of a request for information rather than in a form which might appear to cast doubts upon its sovereignty and independence. The Government of Nepal welcomes the opportunity to set forth all the facts in relation to its governmental status which it is hoped will satisfy the Committee. These facts are contained in Annex I to this letter which also contains the texts of the rele-

¹ U.N. Document No. 15 of 4th April 1949.

² U.N. Document No. S/C 2/SR 31 and 32.

³ During the course of the discussion on Nepal's application for admission to the UNO, the Representatives of the Soviet Union and Ukraine objected to Nepal's entry in the world body on the ground that she was not an independent and sovereign State and was instead "fully dependent upon the United Kingdom, as well as upon India."

vant treaties entered into by Nepal which are not already before the Committee.

The Government of Nepal wishes to congratulate the Secretariat on the excellent abstract it has prepared on Nepal which gives in general outline a fair picture of the country and its institutions. The Government of Nepal attaches as Annex¹ II to this letter some amendments and additions which in the interest of greater completion and accuracy should be made to this abstract.

The Government of Nepal notes with satisfaction that in the discussions of the Committee no question was raised regarding the peace-loving character of the State nor regarding her ability or willingness to fulfil the obligations of the Charter. The record of Nepal both before and during the two world wars in fact most clearly establishes the value of the contribution which Nepal has made to the cause of international peace.

The Government of Nepal trusts that on the basis of this material, which can if required be supplemented by the Nepalese representative before the Committee, the Committee will be able to make a favourable recommendation regarding Nepal's admission to membership.

ANNEX I

Information supplied by the Government of Nepal regarding the sovereignty and independence of the Kingdom of Nepal

General

1. NEPAL has for centuries been an independent sovereign State. It has never been conquered, no foreign Power has ever occupied the country nor intervened in its internal and external affairs. No foreign flag has ever flown over Nepal. Nepal has its own Sovereign and its own system of government. Nepal is responsible for its own foreign relations and no power exercises, or for centuries has exercised, any control or authority over it except its own Government; Nepal has declared war and concluded peace (with Britain in 1815, China in 1792, and Tibet in 1855) without reference to any third party. Nepal made application for membership of the United Nations entirely on its own initiative and without reference to any foreign State.

Treaties

2. The Government of Nepal wishes first to make clear that it is the present governmental status of the country that has to be considered for the purposes of admission to membership of the United Nations. The Government of Nepal will show that the country has at no time and by no treaty surrendered its sovereignty or independence. Admittedly the Treaty of 1792 with China and the Segowlie Treaty of 1815 were entered into after defeats in war; but many States have suffered defeat in war, and have thereby lost territory, without thereby forfeiting their independence and their full sovereignty

¹ Not reproduced here.

over the territory they retain. Moreover it was to negative any implications which might have been drawn from the Segowlie Treaty and to make the independence and sovereignty of Nepal clear in an unmistakable manner that Nepal, after 100 years of friendly relations with the British Government and of peaceful development in the world, entered into the new Treaty of 1923, which explicitly restated the fact of the country's independence and sovereignty.

The Treaty of 21 December 1923¹

* * * * *

3. The Government of Nepal wishes to make the following observations upon certain of its provisions:

- (a) By Article I the Governments of Great Britain and Nepal agree mutually to acknowledge and respect each other's independence both internal and external. This article restates and reaffirms an existing situation; it does not confer or profess to confer independence on Nepal for the first time. It is, however, an explicit statement which governs the rest of the Treaty.
- (b) Article II confirms the Treaty of Segowlie of 1815 and other treaties, agreements and engagements *except so far as they may be altered by the present Treaty*². The Government of Nepal has never considered that either the Treaty of Segowlie or any other treaties, agreements or engagements impaired its independence and sovereignty and will deal with the relevant provision from this aspect below; but even if there were any provisions which had this effect that would be cancelled by the explicit statement contained in article I which reaffirmed the independence of both States.
- (c) Article V deals with the import of arms, ammunition and warlike stores. The purpose of this article was to regulate in an orderly and peaceful manner the import of arms, etc., through British Indian territory and ports. It is a misapprehension to suppose that this article made, or was intended to make, Nepal dependent upon the United Kingdom for arms and equipment. Neither this article nor article VI interfered in any way with the right of Nepal to import arms or equipment from China or Russia or from any other country through its northern neighbours. Admittedly certain restrictions were imposed on the import of these articles through British India, but these restrictions were imposed in the interest of Indian security and not as a limitation of the independence in the matter of Nepal. In fact, Nepal manufactures its own weapons, equipment, and ammunition in its own arsenals. Its Army is a national army, officered entirely by Nepalese nationals. It is incorrect to suppose that the Nepalese Army is dependent on foreign supplies.

It may be added that since the British withdrawal from India, no question can arise of control by the British Government under this article.

- (d) Article VI. This was a commercial concession to Nepal in respect

¹ Enclosure I.

² Emphasis as in the original.

of goods imported through British India. The Nepalese Government draws attention to the language of this article under which the British Government agreed to accept as conclusive a certificate from the Nepalese Government that the goods are the property of the Nepalese Government, and are required for the public services of the Nepalese Government, etc. This procedure is only consistent with recognition of the complete and equal sovereignty of the Nepalese Government.

- (e) *Re. Afghan Treaty.* With regard to both Article V and Article VI of this Treaty, the Nepalese Government has observed that articles in a similar form are contained in the Treaty signed on 22 November 1921, between the Governments of the United Kingdom and of Afghanistan—two indisputably sovereign States, admitted as such to the United Nations... The presence of such provisions in the Treaty of 21 December 1923 between the Governments of the United Kingdom and of Nepal cannot therefore be taken to reflect any inferiority in the status of Nepal, but, on the contrary, underlines the full independence and sovereignty of that country.

The Treaty of 2 December 1815 (Segowlie Treaty)

4. The text of this Treaty is attached for the information of the Committee¹.

- (a) The preamble shows that the Treaty was entered into after a war between the East India Company and the Rajah of Nepal. The power to make war is an attribute of sovereignty and the Rajah of Nepal, in entering into the war, was acting as a sovereign ruler. The preamble states that the parties are mutually disposed to restore the relations of peace and amity which had subsisted previously to the occurrence of the differences. This shows that nothing in the Treaty was intended to interfere with the independence of the Rajah. As to the general effect and intention of the Treaty reference may be made to one of the authorities listed by the Secretariat, namely "Nepal" by Perceval Landon, London (Constable) 1928, p. 101:

"At the Treaty of Sagauli in 1816 there was no pretence whatever that the agreement then made was other than a contract between two independent parties."

- (b) Article III. Under this article certain territories were ceded by the Rajah. The Nepalese Government remarks with regard to these cessions:
- (i) That cession of territory by agreement under a peace treaty has never involved or indicated a loss of sovereignty or independence otherwise than in relation to the ceded territories. If the contrary were the case, there would be few States which could be held independent and sovereign at the present time.
 - (ii) That the cession of a portion of these territories (namely the greater part of those secondly and thirdly mentioned in the article) was renounced by the British Government on 8 December

¹ Enclosure II.

1816 (see the letter of that date attached together with the reply of the Government of Nepal dated 11 December 1816).¹

- (iii) That a further part of the territories (namely the greater part of those firstly mentioned in the article) were ceded by the British Government to the Nepalese Government by treaty on 1 November 1860. The terms of this Treaty (the text of which is attached)² show that it was entered into as between two fully sovereign States. The Government of Nepal particularly refers to Article II by which the territory is expressed to be bestowed on the Maharajah of Nepal "in full sovereignty". If the Maharajah of Nepal was recognized as fully sovereign over these territories, formerly ceded by him, there can be no doubt as to his full and unimpaired sovereignty over the territory (forming by far the greater part of Nepal) in the possession of which he had never been disturbed.
- (iv) That, as regards the territories ceded by Article III, the British Government (by Article IV) agreed to pay a substantial sum for pensions to dispossessed chiefs of Nepal.
- (c) Article VI. This is a provision for arbitration by the British Government in the event of a difference arising between the State of Nepal and the neighbouring State of Sikkim. The Government of Nepal supposes that it was the absence of the complete text which led some members of the committee to suppose that this article provided for the settlement by the British Government of disputes between Nepal *and the British Government*³ which of course is not and never has been the case. Disputes between the latter two Governments have always been disposed of diplomatically in the usual manner.
- This article has, in fact, never been invoked owing to the peaceful relations which have prevailed between Nepal and Sikkim and must now be considered obsolete by disuse.
- (d) Article VII. This article was evidently inserted against foreign adventurers disturbing the peace in India and its frontiers rather than against the right of Nepal to grant asylum. Instances of asylum granted can be cited as far back as the middle of the 19th century, e.g., Nana Saheb and his family, the Queen of Lahore and the Princes of Oudh, etc. Even under the terms of the article, Nepal could employ any Asiatic and African nationals it chose. This article has never been operative, a fact which was officially recognized by the British Government in September 1923. In fact, the Government of Nepal had for many years previously employed British Indian subjects without even reference to the Government of India or the British Government.
- (e) Article VIII. This article provided for the exchange of accredited Ministers. These representatives were established and maintained until 1923. With regard to the status of this representative it may be

¹ Enclosure III.

² Enclosure IV.

³ Emphasis as in the original.

of interest to quote again from the book "Nepal" by Perceval Landon, London (Constable), 1928, p. 80:

"This representative has a position which has been mistakenly compared to that of a Resident in one of our Native States of India. The functions of the office in Kathmandu are entirely different from those of a Resident in India. In the latter place the Resident is ultimately responsible for representing to the Indian Government any condition of affairs within the State which, in his opinion, calls for the intervention of the Indian Government, and he is the instrument used by the Indian Government in the event of their deciding to take action."

In Nepal, neither the Indian Government nor any other Government has any right of interference or intervention or even of offering advice. Nepal is an independent State, and the functions of the Envoy are simply those of a friendly observer whose duties are confined to reporting the chief events and tendencies in Nepal so far as they affect Indian interests, to acting as the official intermediary between the two Governments.

After the Treaty of 1923 the status of the British representative at Kathmandu was changed to that of Envoy. In 1934 Nepal established a Legation in London and the two countries exchanged Ministers Plenipotentiary and Envoys Extraordinary. In 1947, these representatives were raised to the rank of Ambassador Extraordinary and Plenipotentiary.

The diplomatic relations between the Governments of Great Britain and of Nepal have, therefore, evolved in a normal manner as between sovereign States.

Treaty of 24 March 1856 with Tibet

5. The text of this Treaty is attached.¹ This Treaty was entered into upon the conclusion of hostilities with Tibet. The British Government was not concerned in any way either with the hostilities or with the Treaty. The Treaty is referred to in order to show that the power of Nepal to make war and peace, in the period between the Treaties of 1815 and 1923, was in no way controlled by the British Government nor fettered by the Treaties made with the British Government.

Treaty of 1792 between Nepal and China²

6. In 1792, after an unsuccessful war with China, Nepal agreed to send once every five years a Mission to Peking bearing to the Emperor of China the good wishes and gifts of the King of Nepal. This Treaty is long since obsolete. The five-yearly Missions continued until 1912: they were, in fact, regarded not as an onerous service but as a privilege of some value, both on account of the gifts in return made by the Emperor of China and on account of the opportunities for trade thereby made available to the Mission. Since 1912, they have been discontinued and Nepal has not in any way recognized that

¹ Enclosure V.

² Enclosure VI.

China has any claim on her under the Treaty of 1792 nor has China asserted any such claim.

7. (a) The Government of Nepal received an invitation, at the request of the signatories to the *Proces Verbal* to accede to the Rules of Submarine Warfare set forth in Part IV of the Treaty of London of 22 April 1930. This *Proces Verbal* was signed, among others, by the following sovereign States: United States of America, France, Italy, Australia, Canada, and South Africa. The Government of Nepal decided to accede on 27 January 1937.
- (b) The Secretary-General of the League of Nations communicated directly with the Government of Nepal and not through the medium of any other Government. The Government of Nepal refers in this connexion to the letter of the Secretary-General No. 17/45459/45459 dated Geneva, 7 August 1925, addressed to His Highness The Prime Minister of the Kingdom of Nepal.

Conclusion

8. It is clear from the provisions of the Treaties entered into by Nepal during the last 150 years that Nepal has at no time renounced her independence. On the contrary, these Treaties demonstrate the complete sovereign equality of Nepal in all her foreign relations.

Diplomatic and Foreign Relations

Diplomatic Relations

9. The Diplomatic Relations of Nepal with the United Kingdom have already been described in paragraph 4(e) above. In addition, Nepal has established diplomatic relations with the following countries:

- (a) Tibet. In 1856 Nepal established a Legation at Lhasa, maintained representatives at Gyantse, Kuti and Kerung.
- (b) France. A Nepalese Ambassador was received by the Emperor Napoleon III in 1850. In May 1949 Nepal established diplomatic relations with France at ambassadorial level.
- (c) United States of America. On 21 April 1947 President Truman, through his personal representative, delivered to the King of Nepal a letter recognizing the independence of Nepal; this recognition was followed on 25 April 1947 by an agreement of friendship and commerce between the two countries providing (*inter alia*) for the establishment of diplomatic and consular relations. This Treaty has been registered with the United Nations, as No. 251 of 21 June 1948. In 1949 Nepal established diplomatic relations with the United States of America at ministerial level.
- (d) India. Nepal maintains an Ambassador at New Delhi and there is an Indian Ambassador at Kathmandu.
- (e) Burma. Nepal has a Consular Officer at Rangoon.

Moreover, H. H. the Maharajah, Prime Minister of Nepal, stated on 27 May 1948 that Nepal is willing to enter into friendly relations with all States which desire to seek friendship with it.

Foreign Relations

10. Nepal has always encouraged the establishment of close and friendly relations with her neighbours and with foreigners of all nations.

- (a) There have been travellers to Nepal from all parts of the world, and the accounts they have published in various languages (French, German, English, Hindi, and Bengali) give a fairly exhaustive description of the country and its peoples and institutions in modern times.
- (b) There have been travellers from Nepal to foreign countries also. In 1850 Maharajah Jang Bahadur travelled through France, Italy and England. Incidentally, he was the first oriental ruler to go overseas. Maharajah Jang Bahadur went as an Ambassador from Nepal to the United Kingdom on a State Mission. In 1908, Maharajah Chandra Shamsheer also travelled through Italy, Switzerland, France, and the United Kingdom. Since the establishment of the Nepalese Legation in London in 1934, many Nepalese have travelled extensively in Europe and America. Nepal sent delegates to the ECAFE meeting in Lapstone, Australia, in 1948-49, and there is now scarcely any part of the world that the Nepalese have not visited.

Quinquennial Missions were sent regularly from Nepal to Peking from 1792 to 1912. When the Republic was established in China, these Missions were suspended but informal relations continued and in 1947 Nepal sent a good-will mission to China, in the course of which the Chinese Government discussed the possibility of establishing diplomatic relations.

- (c) Good-will Missions were sent by the Government of Nepal to the following countries in the years noted against each.

United Kingdom	Various visits by the reigning King, the Prince of Wales, and Commanders-in-chief of India. (Sic)
France	(1850, 1939)
Italy	(1934)
Belgium	(1938)
The Netherlands	(1946)
United States of America	(1945-unofficial and 1946-official)
India	(to the Asian Relations Conference, 1947)
China	(May, 1947)

- (d) Among the missions received by Nepal from abroad may be mentioned the following:

United Kingdom	(1876, 1892, 1906, 1911, 1921, 1930)
France	(1925, 1929, 1934, 1949)
Germany	(1937)
China	(1877, 1889, 1902, 1930, 1934)
Japan	(1933)

The Netherlands	(1939)
Italy	(1933)
Belgium	(1935)
Ceylon	(1948)
India	(1949)
United States of America	(1946, 1947, 1949)

Additional Considerations

11. No country has demanded nor obtained any special position or any privileges in Nepal which have not been conceded to nationals of any foreign State. No country exercises any right of control over the affairs of Nepal. The policy of Nepal has always been twofold, first to maintain the independence and sovereignty of Nepal clearly before the world, and secondly to collaborate with all nations on an equal basis in the sacred cause of peace and international good-will.

12. It may not be out of place here to mention the testimony of India on Nepal's status in the comity of nations. Pandit Jawaharlal Nehru, the Prime Minister of India, says in his book "The Discovery of India" (The Signet Press, Calcutta, 1946, p. 366): "The only truly independent Kingdom in India is Nepal on the north-eastern frontier, which occupies a position analogous to that of Afghanistan, though it is rather isolated."

An additional quotation can be made from the book "Nepal" by Perceval Landon—London (Constable) 1928—Preface p. v: "Nepal remains, at the beginning of the second quarter of the 20th century, an independent Kingdom full of antiquities and relics of the past . . . remains too the last survivor of those Indian communities who stood for civilization, learning and culture when Europe was still in the darkest period of its history."

13. As regards self-sufficiency, Nepal is more self-dependent in many respects than many other States. No country can, economically, be entirely independent of others and the same is true of Nepal. But it is not correct to say that Nepal is economically dominated by India. Nepal has, in fact, a favourable balance of trade with India, (sic) and is building up its overseas trade, making deliveries of its second most important product jute direct to overseas markets. Nepal has an independent currency based on the metric system, does not belong to any currency block, and has not imposed trade discrimination against any country. Nepal has its own customs organization.

14. The population of the country is over 6 millions. The people are hardy, peace-loving, patriotic and industrious. They are quite competent to guard their independence. The Army is well equipped and efficient. There is no foreigner serving in any capacity in the country's armed forces. Nepal is competent to declare war and conclude peace.

15. Nepal has taken full part in various international conferences on terms of equality with the other participants, e.g. Asian Relations Conference (1947), ECAFE (1948, 1948-49), Asian Conference on Indonesia (1949), IFO (1949), ILO, and WHO, etc.

ENCLOSURE I

Treaty of Friendship between Great Britain and Nepal, Kathmandu, December 21, 1923

WHEREAS peace and friendship have now existed between the British Government and the Government of Nepal since the signing of the Treaty of Segowlie on the 2nd day of December 1815; and whereas since that date the Government of Nepal has ever displayed its true friendship for the British Government and the British Government has as constantly shown its goodwill towards the Government of Nepal; and whereas the Governments of both the countries are now desirous of still further strengthening and cementing the good relations and friendship which have subsisted between them for more than a century; the two High Contracting Parties having resolved to conclude a new Treaty of Friendship have agreed upon the following Articles:

Article I

There shall be perpetual peace and friendship between the Governments of Great Britain and Nepal, and the two Governments agree mutually to acknowledge and respect each other's independence, both internal and external.

Article II

All previous treaties, agreements and engagements, since and including the Treaty of Segowlie of 1815, which have been concluded between the two Governments are hereby confirmed, except so far as they may be altered by the present Treaty.

Article III

As the preservation of peace and friendly relations with the neighbouring States whose territories adjoin their common frontiers is to the mutual interests of both the High Contracting Parties, they hereby agree to inform each other of any serious friction or misunderstanding with those States likely to rupture such friendly relations, and each to exert its good offices as far as may be possible to remove such friction and misunderstanding.

Article IV

Each of the High Contracting Parties will use all such measures as it may deem practicable to prevent its territories being used for purposes inimical to the security of the other.

Article V

In view of the longstanding friendship that has subsisted between the British Government and the Government of Nepal and for the sake of cordial neighbourly relations between them, the British Government agrees that the Nepal Government shall be free to import from or through British India into Nepal whatever arms, ammunition, machinery, warlike material or stores may be required or desired for the strength and welfare of Nepal, and that this arrangement shall hold good for all time as long as the British Government is satisfied that the intentions of the Nepal Government are friendly and that there is no immediate danger to India from such importations. The Nepal Government, on the other hand, agrees that there shall be no export

of such arms, ammunition, etc., across the frontier of Nepal either by the Nepal Government or by private individuals.

If, however, any Convention for the regulation of the Arms Traffic, to which the British Government may be a party, shall come into force, the right of importation of arms and ammunition by the Nepal Government shall be subject to the proviso that the Nepal Government shall first become a party to that Convention, and that such importation shall only be made in accordance with the provisions of that Convention.

Article VI

No Customs duty shall be levied at British Indian ports on goods imported on behalf of the Nepal Government for immediate transport to that country provided that a certificate from such authority as may from time to time be determined by the two Governments shall be presented at the time of importation to the Chief Customs Officer at the port of import setting forth that the goods are the property of the Nepal Government, are required for the public services of the Nepal Government, are not for the purpose of any State monopoly or State trade, and are being sent to Nepal under orders of the Nepal Government.

The British Government also agrees to the grant in respect of all trade goods, imported at British Indian ports for immediate transmission to Kathmandu without breaking bulk *en route*, of a rebate of the full duty paid, provided that in accordance with arrangements already agreed to, between the two Governments, such goods may break bulk for repacking at the port of entry under Customs supervision in accordance with such rules as may from time to time be laid down in this behalf. The rebate may be claimed on the authority of a certificate signed by the said authority that the goods have arrived at Kathmandu with the customs seals unbroken and otherwise untampered with.

Article VII

This Treaty signed on the part of the British Government by Lieutenant-Colonel W.F.T.O' Connor, C.I.E., C.V.O., British Envoy at the Court of Nepal, and on the part of the Nepal Government by General His Highness Maharaja Sir Chandra Shumshere Jung Bahadur Rana, G.C.B., G.C.S.I., G.C.M.G., G.C.V.O., D.C.I., Thong-lin Pimma-Kokang-Wang-Syan, Prime Minister and Marshal of Nepal, shall be ratified and the ratification shall be exchanged at Kathmandu as soon as practicable.¹

Signed and sealed at Kathmandu this the twenty-first day of December in the year one thousand nine hundred and twenty-three *Anno Domini* corresponding with the sixth Paush, Sambat Era one thousand nine hundred and eighty.

W. F. T. O'CONNOR, LT.-COL.,

*British Envoy at the Court
of Nepal.*

*(Under Vernacular Translation
of Treaty)*

CHANDRA SHAMSHERE,
Prime Minister and Marshal of Nepal.

¹ Ratifications exchanged in Kathmandu on April 8, 1925.

**Note from the Prime Minister of Nepal to the British Envoy at the
Court of Nepal**

Nepal, December 21, 1923

My dear Colonel O'Connor,

Regarding the purchase of arms and munitions which the Government of Nepal buys from time to time for the strength and welfare of Nepal, and imports to its own territory from and through British India in accordance with Article V of the Treaty between the two Governments, the Government of Nepal hereby agrees that it will, from time to time before the importation of arms and munitions at British Indian Ports, furnish detailed lists of such arms and munitions to the British Envoy at the Court of Nepal in order that the British Government may be in a position to issue instructions to the port authorities to afford the necessary facilities for their importation in accordance with Article VI of this Treaty.

I am, etc.,

CHANDRA

To

LIEUTENANT-COLONEL W. F. T. O'CONNOR, C.I.E., C.V.O.,
British Envoy at the Court of Nepal.

(Aitchison, C. U ; *Treaties, Engagements and Sanads*; Calcutta: XIV : 1929 : 75-77)

ENCLOSURE II

Treaty of Peace between the Honourable East India Company and Maha Rajah Bikram Sah, Rajah of Nipal, settled between Lieutenant-Colonel Bradshaw on the part of the Honourable Company, in virtue of the full powers vested in him by His Excellency the Right Honourable Francis, Earl of Moira, Knight of the Most Noble Order of the Garter, one of His Majesty's Most Honourable Privy Council, appointed by the Court of Directors of the said Honourable Company to direct and control all the affairs in the East Indies, and by Sree Gooroo Gujraj Misser and Chunder Seekur Opedeea on the part of Maha Rajah Girmaun Jode Bikram Sah Bahauder, Shumsheer Jung, in virtue of the powers to that effect vested in them by the said Rajah of Nipal,—2nd December 1815.

WHEREAS war has arisen between the Honourable East India Company and the Rajah of Nipal, and whereas the parties are mutually disposed to restore the relations of peace and amity which, previously to the occurrence of the late differences, had long subsisted between the two States, the following terms of peace have been agreed upon:

Article 1st

There shall be perpetual peace and friendship between the Honourable East India Company and the Rajah of Nipal.

Article 2nd

The Rajah of Nipal renounces all claim to the lands which were the subject of discussion between the two States before the war; and acknowledges the right of the Honourable Company to the sovereignty of those lands.

Article 3rd

The Rajah of Nipal hereby cedes to the Honourable the East India Company in perpetuity all the undermentioned territories, viz.—

- Firstly The whole of the low lands between the Rivers Kali and Rapti.
- Secondly The whole of the low lands (with the exception of Bootwul Khass) lying between the Rapti and the Gunduck.
- Thirdly The whole of the low lands between the Gunduck and Coosah, in which the authority of the British Government has been introduced, or is in actual course of introduction.
- Fourthly All the low lands between the Rivers Mitchee and the Teestah.
- Fifthly All the territories within the hills eastward of the River Mitchee including the fort and lands of Nagree and the Pass of Nagarcote leading from Morung into the hills, together with the territory lying between that Pass and Nagree. The aforesaid territory shall be evacuated by the Gurkha troops within forty days from this date.

Article 4th

With a view to indemnify the Chiefs and Barahdars of the State of Nipal, whose interests will suffer by the alienation of the lands ceded by the foregoing Article, the British Government agrees to settle pensions to the aggregate amount of two lakhs of rupees per annum on such Chiefs as may be selected by the Rajah of Nipal, and in the proportions which the Rajah may fix. As soon as the selection is made, Sunnuds shall be granted under the seal and signature of the Governor-General for the pensions respectively.

Article 5th

The Rajah of Nipal renounces for himself, his heirs, and successors, all claim to or connexion with the countries lying to the west of the River Kali and engages never to have any concern with those countries or the inhabitants thereof.

Article 6th

The Rajah of Nipal engages never to molest or disturb the Rajah of Sikkim in the possession of his territories; but agrees, if any differences shall arise between the State of Nipal and the Rajah of Sikkim, or the subjects of either, that such differences shall be referred to the arbitration of the British Government by whose award the Rajah of Nipal engages to abide.

Article 7th

The Rajah of Nipal hereby engages never to take or retain in his service any British subject, nor the subject of any European and American State, without the consent of the British Government.

Article 8th

In order to secure and improve the relations of amity and peace hereby established between the two States, it is agreed that accredited Ministers from each shall reside at the Court of the other.

Article 9th

This treaty, consisting of nine Articles, shall be ratified by the Rajah of Nipal within fifteen days from this date, and the ratification shall be delivered to Lieut.-Colonel Bradshaw, who engages to obtain and deliver to the Rajah the ratification of the Governor-General within twenty days, or sooner, if practicable.

Done at Segowlie, on the 2nd day of December 1815.

PARIS BRADSHAW, LT.-COL., P. A.

Received this treaty from Chunder Seekur Opedeea, Agent on the part of the Rajah of Nipal, in the valley of Muckwaunpoor, at half-past two o'clock p.m. on the 4th of March 1816, and delivered to him the Counterpart Treaty on behalf of the British Government.

DD. OCHTERLONY,
Agent, Governor-General

(As appended to S/C 2/16)

ENCLOSURE III

**Memorandum for the approval and acceptance of the Rajah of Nipal,
presented on December 8, 1816**

ADVERTING to the amity and confidence subsisting with the Rajah of Nipal, the British Government proposes to suppress as much as possible, the execution of certain Articles in the Treaty of Segowlie, which bear hard upon the Rajah as follows:

2. With a view to gratify the Rajah in a point which he has much at heart, the British Government is willing to restore the Terai ceded to it by the Rajah in the Treaty, to wit, the whole Terai lands lying between the Rivers Coosah and Gunduck, such as appertained to the Rajah before the late disagreement; excepting the disputed lands in the Zillahs of Tirhoot and Sarun, and excepting such portions of territory as may occur on both sides for the purpose of settling a frontier, upon investigation by the respective Commissioners; and excepting such lands as may have been given in possession to any one by the British Government upon ascertainment of his rights subsequent to the cession of Terai to that Government. In case the Rajah is desirous of retaining the lands of such ascertained proprietors, they may be exchanged for others, and let it be clearly understood that, notwithstanding the considerable extent of the lands in the Zillah of Tirhoot, which have for a long time been a subject of dispute, the settlement made in the year 1812 of Christ, corresponding with year 1869 of Bikramajeet, shall be taken, and everything

else relinquished, that is to say, that the settlement and negotiations, such as occurred at that period, shall in the present case hold good and be established.

3. The British Government is willing likewise to restore the Terai lying between the Rivers Gunduk and Rapti, that is to say, from the River Gunduk to the western limits of the Zillah of Goruckpore, together with Bootwul and Sheeraj, such as appertained to Nipal previous to the disagreements, complete, with the exception of the disputed places in the Terai, and such quantity of ground as may be considered mutually to be requisite for the new boundary.

4. As it is impossible to establish desirable limits between the two States without survey, it will be expedient that Commissioners be appointed on both sides for the purpose of arranging in concert a well defined boundary on the basis of the preceding terms, and of establishing a straight line of frontier, with a view to the distinct separation of the respective territories of the British Government to the south and of Nipal to the north; and in case any indentations occur to destroy the even tenor of the line, the Commissioners should effect an exchange of lands so interfering on principles of clear reciprocity.

5. And should it occur that the proprietors of lands situated on the mutual frontier, as it may be rectified, whether holding of the British Government or of the Rajah of Nipal, should be placed in the condition of subjects to both Governments, with a view to prevent continual dispute and discussion between the two Governments, the respective Commissioners should effect in mutual concurrence and co-operation the exchange of such lands, so as to render them subject to one dominion alone.

6. Whensoever the Terai should be restored, the Rajah of Nipal will cease to require the sum of two lakhs of Rupees per annum, which the British Government agreed to advance for the maintenance of certain Barahdars of his Government.

7. Moreover, the Rajah of Nipal agrees to refrain from prosecuting any inhabitants of the Terai, after its revertance to his rule, on account of having favoured the cause of the British Government during the war, and should any of those persons, excepting the cultivators of the soil, be desirous of quitting their estates, and of retiring within the Company's territories, he shall not be liable to hindrance.

8. In the event of the Rajah's approving the foregoing terms, the proposed arrangement for the survey and establishment of boundary marks shall be carried into execution, and after the determination in concert, of the boundary line, Sunnuds conformable to the foregoing stipulations, drawn out and sealed by the two States, shall be delivered and accepted on both sides.

EDWARD GARDNER,
Resident

**Substance of a Letter under the Seal of the Rajah of Nipal, received
on December 11, 1816**

After compliments;

I have comprehended the document under date the 8th of December

1816, or 4th of Poos 1873 Sumbat, which you transmitted relative to the restoration, with a view to my friendship and satisfaction, of the Terai between the Rivers Coosa and Rapti to the southern boundary complete, such as appertained to my estate previous to the war. It mentioned that in the event of my accepting the terms contained in that document, the southern boundary of the Terai should be established as it was held by this Government. I have accordingly agreed to the terms laid down by you, and herewith enclose an instrument of agreement, which may be satisfactory to you. Moreover, it was written in the document transmitted by you, that it should be restored, with the exception of the disputed lands and such portion of land as should, in the opinion of the Commissioners on both sides, occur for the purpose of settling a boundary; and excepting the lands which, after the cessions of the Terai to the Honourable Company, may have been transferred by it to the ascertained proprietors. My friend, all these matters rest with you, and since it was also written that a view was had to my friendship and satisfaction with respect to certain Articles of the Treaty of Segowlee, which bore hard upon me, and which could be remitted, I am well assured that you have at heart the removal of whatever may tend to my distress, and that you will act in a manner corresponding to the advantage of this State and the increase of the friendly relations subsisting between the two Governments.

Moreover I have to acknowledge the receipt of the orders under the red seal of this State, addressed to the officers of Terai between the Rivers Gunduk and Rapti, for the surrender of that Terai, and their retiring from thence, which was given to you at Thankote, according to your request, and which you have now returned for my satisfaction.

**Substance of a Document under the Red Seal, received from the
Durbar, on December 11, 1816**

WITH regard to friendship and amity, the Government of Nipal agrees to the tenor of the document under date the 8th of December 1816 or 4th Poos 1873 Sumbat which was received by the Durbar from the Honourable Edward Gardner on the part of the Honourable Company, respecting the revertance of the Terai between the Rivers Coosa and Rapti to the former southern boundary, such as appertained to Nipal previous to the war, with exception of the disputed lands.

Dated the 7th of Poos 1873 Sumbat

(As appended to S/C 2/16)

ENCLOSURE IV

Treaty with Nipal—November 1, 1860

DURING the disturbances which followed the mutiny of the Native army of Bengal in 1857, the Maharajah of Nipal not only faithfully maintained the relations of peace and friendship established between the British Government and the State of Nipal by the Treaty of Segowlee, but freely placed troops at

the disposal of the British authorities for the preservation of order in the Frontier Districts, and subsequently sent a force to co-operate with the British Army in the recapture of Lucknow and the final defeat of the rebels. On the conclusion of these operations, the Viceroy and Governor-General in recognition of the eminent services rendered to the British Government by the State of Nipal, declared his intention to restore to the Maharajah the whole of the low lands lying between the River Kali and the District of Goruckpore, which belonged to the State of Nipal in 1815, and were ceded to the British Government in that year by the aforesaid Treaty. These lands have now been identified by Commissioners appointed for the purpose by the British Government, in the presence of Commissioners deputed by the Nipal Darbar; masonry pillars have been erected to mark the future boundary of the two States, and the territory has been formally delivered over to the Nipalese Authorities. In order the more firmly to secure the State of Nipal in the perpetual possession of this territory, and to mark in a solemn way the occasion of its restoration, the following Treaty has been concluded between the two States:

Article 1st

All Treaties and Engagements now in force between the British Government and the Maharajah of Nipal, except in so far as they may be altered by this Treaty, are hereby confirmed.

Article 2nd

The British Government hereby bestows on the Maharajah of Nipal in full sovereignty, the whole of the lowlands between the Rivers Kali and Raptée, and the whole of the lowlands lying between the River Raptée and the District of Goruckpore, which were in the possession of the Nipal State in the year 1815, and were ceded to the British Government by Article III of the Treaty concluded at Segowlee on the 2nd of December in that year.

Article 3rd

The boundary line surveyed by the British Commissioners appointed for the purpose extending eastward from the River Kali or Sardah to the foot of the hills north of Bagowra Tal, and marked by pillars, shall henceforth be the boundary between the British Province of Oudh and the Territories of the Maharajah of Nipal.

This Treaty, signed by Lieutenant-Colonel George Ramsay, on the part of His Excellency the Right Honourable Charles John, Earl Canning, G.C.B., Viceroy and Governor-General of India, and by Maharajah Jung Bahadoor Rana, G.C.B., on the part of Maharajah Dheraj Soorinder Vikram Sah Bahadoor Shumshere Jung, shall be ratified, and the ratifications shall be exchanged at Kathmandoo within thirty days of the date of signature.

Signed and sealed at Kathmandoo, this first day of November, A.D., one thousand eight hundred and sixty corresponding to the third day of Kartick Budee, Sumbut nineteen hundred and seventeen.

G. RAMSAY, LIEUT. COL.,
Resident at Nipal

CANNING,
Viceroy and Governor-General.

This Treaty was ratified by His Excellency the Governor-General, at Calcutta, on the 15th of November 1860.

A. R. YOUNG,

Deputy Secretary to the Government of India

(As appended to S/C 2/16)

ENCLOSURE V

Treaty of Peace between Nepal and Tibet, 1856

A

The following is a translation of the Nepalese text. There are three other translations, one from the Tibetan text, one by Sir Charles Bell, and the third by C.U. Aitchison, which differ slightly from the Nepalese in some particulars.

We, the undermentioned Nobles, Bharadars, and Lamas representing the Gorkha Government and the Tibetan Government have mutually settled a Treaty of the following ten Articles, and with Supreme Being as witness we have affixed our seals unto it of our own free will and choice. The Emperor of China shall continue to be regarded with respect as heretofore. So long as the two Governments continue to abide by the terms set forth herein, they shall live in amity like two brothers. May the Supreme Being not allow that side to prosper which may make war upon the other; and may the side be exempt from all sin in making war upon the other side which violates the terms contained in this agreement (Treaty).

(Here follow the names and seals of the signatories)

Schedule of the Articles of the Treaty

Article 1

Tibet shall pay a sum of Rupees ten thousand annually to the Gorkha Government.

Article 2

Gorkha and Tibet have both been regarding the Emperor of China with respect. Tibet being merely a country of Monasteries of Lamas and a place for recitation of prayers and practice of religious austerities, should troops of any other Raja invade Tibet in future, Gorkha will afford such assistance and protection as it can.

Article 3

Tibet shall not levy any taxes (on routes), duties (on merchandise), and rates (of any other kind) leviable by Tibet on the merchants and subjects of the country of Gorkha.

Article 4

Tibet shall return to the Gorkha Government all Sikh soldiers held as prisoners and also all officers, soldiers, women, and guns of Gorkha that were captured and taken during the war; and the Gorkha Government shall return to Tibet all the soldiers of Tibet captured in the war, as also the arms, the yaks whatever there may be belonging to the Rayats of Kirong, Kuti, Jhunga, Taklakhar, and Chhewar-Gumbha, and on the completion of this Treaty all the Gorkha troops that are in Taklakhar, Chhewar-Gumbha, Kerong, Jhunga, Kuti, Dhyaklang, and up to Bhairab Lanbur range shall be withdrawn and the places evacuated.

Article 5

Henceforth not a Naikya (Headman) but a Bharadar shall be posted by the Gorkha Government at Lhasa.

Article 6

The Gorkha Government will establish its own trade factory at Lhasa which will be allowed to trade freely in all kinds of merchandise from gems and ornaments to articles of clothing and food.

Article 7

The Gorkha Bharadar at Lhasa shall not try and determine suits and cases amongst Gorkha subjects, merchants, the Kasmeries of Nepal, residing within the jurisdiction of Lhasa. In the event of dispute between the subjects and merchants of Gorkha and those of Tibet, the Bharadars of both Gorkha and Tibet shall sit together and jointly adjudicate the cases. All incomes (fines, etc.) from such adjudications realized from the subjects and merchants of Tibet shall be taken by Tibet, and those realized from the Gorkha subjects and merchants and Kasmeries shall be taken by Gorkha.

Article 8

A Gorkha subject who goes to the country of Tibet after committing murder of any person of Gorkha shall be surrendered by Tibet to Gorkha; and a Tibetan subject who goes to the country of Gorkha after committing murder of any person of Tibet shall be surrendered by Gorkha to Tibet.

Article 9

If the property of Gorkha subjects and merchants be plundered by any person of Tibet, the Bharadars of Tibet shall compel the restoration of such property to Gorkha subjects and merchants; should the property be not forthcoming from the plunderer, Tibet shall compel him to enter into arrangement for restitution (of such property). If the property of Tibetan subjects and merchants be plundered by any person of Gorkha, Gorkha shall compel the restoration of such property to the Tibetan subjects and merchants. Should the property be not forthcoming from the plunderer, Gorkha shall compel him to enter into an agreement for the restitution (of such property).

Article 10

After the completion of the Treaty neither side shall act vindictively against the person or property of the subjects of Tibet who may have joined the

Gorkha Durbar during the war, or of the subjects of Gorkha who may have so joined the Tibetan Durbar.

This the third day of Light fortnight of Chaitra in the year of Sumbat 1912.

N. B. — Bharadars are the high Civil or Military officers under the Government of Nepal or of Tibet.

In this translation "Tibet" is used for "Bhote".

B

Perceval Landon in his Book "Nepal" adds another translation from the Tibet text given to him by the Maharaja of Nepal in order that any discrepancies may be recognized, as follows:

Svasti

Document setting forth the alliance and agreement under ten heads between Gurkha and Tibet, agreed to at the meeting of Nobles, Priests, and Laymen, duly signed severally and jointly by the Shri Gurkha Court and the Shri Tibetan Court.

Taking the Precious Rarity as Witness we have jointly and severally affixed our seals in sign of faithful promise.

Whilst conforming to what has been written concerning the continued respect as before towards Shri the Great Emperor, the Courts jointly and severally continue in mutual agreement like brother-children.

May from whatever individual of each Court who, not observing this, makes war-trouble, Shri Rarity withhold its Blessing.

If any one of both does not abide by what is stipulated in this document and violates it, he who makes war against him is without sin.

(Here follow the names and seals of the signatories)

Setting forth the alliance and agreement:

- | | |
|--------|--|
| First | Tibet to pay annually to the Gurkha Court ten thousand silver ales. |
| Second | Whilst the Gurkha Country and Tibet are both respecters of Shri the Great Emperor, as this Tibet especially has become solely a dwelling place of Lama-monasteries and celibate religious hermits, therefore from now onwards, when a war-maker of another Court arises in Tibetan territory, the Gurkha Court to protect and bind as far as possible. |
| Third | Declaration that from now onwards Tibet will not take from Gurkha subjects and traders, trading taxes, road taxes, or any kind of tax. |
| Fourth | The remaining Singpa soldiers who have been taken prisoners by Tibet, and the Gurkha soldiers who have been taken prisoners in the present war, officers and men, with women, of all descriptions, to be sent back by Tibet to the Gurkha Court. All Tibetan soldiers, and all arms and yaks of the |

people left behind at Kyitong, Nyanang, Dzongka, Puring, and Rongshar to be sent back by the Gurkha Court. After the conclusion of this alliance and agreement, the Gurkha troops to give up the territories of Puring, Rongshar, Kyitong, Dzongka, Nyanang, to withdraw to this side of the Darling pass and to be called back.

- Fifth In Lhasa from now onwards the Gurkha Court not to appoint a Nepali Head but a Nobleman.
- Sixth In Lhasa from now onwards the Gurkha Court to have shops. Trade in jewellery, ornaments, textiles, food of all kinds, to be permitted as much as desired.
- Seventh If trouble arises amongst Lhasa subjects or traders, the Gurkha Head not to be permitted to judge. When trouble arises amongst Gurkha subjects, traders, or Kaches from Yambu, the Tibetan Court not to be permitted to judge. When trouble arises amongst Gurkha and Tibetan subjects together, this to be judged in a meeting of Gurkhas and Tibetan Noblemen together. At the occasion of the judgment the fine of the Tibetan subjects to be received by the Tibetan Noble. The fine of Gurkha subjects, traders or Kaches, to be received by the Gurkha Noble.
- Eighth If a Gurkha subject having committed murder goes to Tibetan territory, he is to be handed over to Gurkha by Tibet. If a Tibetan subject having committed murder goes to a Gurkha territory, he is to be handed over to Tibet by Gurkha.
- Ninth When property or treasure of a Gurkha subject or trader is robbed by a Tibetan subject the various Tibetan Official Nobles to order search to be made in order to restitute them to the Gurkha subject who is the owner of the property and treasure. When the robber cannot restitute the property or treasure, the Tibetan Noble to fix a date for the later restitution of the items to be received. When property or treasure of a Tibetan subject or trader is robbed by a Gurkha subject the various Gurkha Official Nobles to order search to be made in order to restitute them to the Tibetan subject who is the owner of the property and treasure. When the robber cannot restitute the property or treasure the Gurkha Noble to fix a date for the later restitution of the items to be received.
- Tenth The two Courts, jointly and severally, not to show anger after the conclusion of the treaty and agreement, towards property or life of Tibetan subjects who at the occasion of the present war have come siding with the Gurkha Court, and of Gurkha Subjects who have come siding with the Tibetan Court.

Fire-Dragon year, second month, eighteenth day.

ENCLOSURE VI

Tibeto-Nepalese Treaty of 1792

1. That China should henceforth be considered as father to both Nepal and Tibet, who should regard each other as brothers;
2. That after due investigation by the Chinese Government, the full value of the articles plundered at Lhasa would be paid to the Nepalese sufferers by the Tibetan authorities;
3. That all Nepalese subjects, with the exception of armed soldiers would be permitted to travel, to establish factories and to carry on trade within the jurisdiction of Tibet and China;
4. That if either of the two brotherly States should commence an unprovoked dispute with the intention of possessing the territories of the other, the representatives of the two Governments would report all particulars to the court of Peking which would finally decide the dispute;
5. That if Nepal be ever invaded by a foreign power, China would not fail to help her;
6. That the two brotherly States would send to China some produce of their country every five years in token of their filial love;
7. That the Chinese Government would in return send to Nepal a friendly present, and would make every necessary arrangement for the comfort of the mission to and from Peking.

(From the *Life of Maharaja Sir Jung Bahadur* by General Pudma Jang Bahadur Rana, Allahabad, 1909; as reproduced by Girilal Jain in his book *India Meets China in Nepal*, 1959)

SECTION II

INDO-NEPALESE RELATIONS

A. India and the Defence of Nepal

2. Speech of Mr. Jawaharlal Nehru in Parliament, New Delhi, March 17, 1950 (Excerpts)

* * * * *

AMONG the other countries round about us, obviously the nearest of our neighbours which is affecting our present life is Pakistan. I shall refer to our relations with Pakistan at some greater length at a later stage. Among the other countries there is Nepal, almost geographically a part of India, though an independent nation. Recently we had a visit of the Prime Minister of Nepal¹ here in India. We welcomed this distinguished person and we conferred with him, and it was clear that so far as certain important matters were concerned, so far as certain developments in Asia were concerned, the interests of Nepal and India were identical. We are interested of course in the development of freedom in all countries, more especially in Asian countries. We are interested in the abstract and we are interested in that as a practical and necessary step today in the context of Asia, because if it does not come it creates and encourages those very forces which ultimately may disrupt freedom itself. So freedom becomes essential, and we have advised in all earnestness the Government of Nepal—in so far as a friendly power can advise an independent nation we have advised them in all earnestness—that in the inner context of Nepal it is desirable to pay attention to the forces that are moving in the world—the democratic forces, the forces of freedom—and to put oneself in line with them, because not to do so is not only wrong according to modern ideas but unwise according to what is happening in the world today. It is clear, as I said, that in regard to certain important matters, the interests of Nepal and India are inevitably joined up. For instance, if I may mention it, it is not possible for any Indian Government to tolerate any invasion of Nepal from anywhere. It is not necessary for us to have a military alliance with Nepal. We do not go about having military alliances with any country. We have none. But apart from any pact or alliance, the fact remains that we cannot tolerate any foreign invasion, from any foreign country, of any part of this Indian sub-continent or whatever you may like to call it. And any possible invasion of Nepal would inevitably involve the safety of India. May I add that I have not the slightest apprehension of any invasion of Nepal? I am merely stating a fact. I do not think any such invasion of Nepal is easily possible, nor do I think it is at all likely. But I wish to make this clear to the House and to others what our policy in such matters is bound to be.

* * * * *

(*Parliamentary Debates, Part II*: March 17, 1950:1697-98)

¹ Maharaja Mohun Shamsher Jang Bahadur Rana.

3. Speech of Mr. Jawaharlal Nehru in Parliament on international situation and the policy of the Government of India in relation thereto, New Delhi, December 6, 1950 (Excerpts)

* * * * *

Now, coming to Nepal. The last fortnight—or is it a little more?—there have been strange developments in this country. Ever since I have been associated with this Government, I have taken a great deal of interest in Nepal. We have desired not only to continue our old friendship with that country, but to put it, if I may say so, on a firmer basis. We have been inheritors of many good things from the days of British rule, and many bad things also; and our relations with our neighbouring countries grew up sometimes in an expansive phase of British policy, of British imperialism. And so they developed a kind of mixed relationship. Now, Nepal in the old days, that is to say, the British days of India, was an independent country, called so. But strictly speaking, it was not very independent, except internally. The test of the independence of a country is, normally speaking, that it has relationship with other countries. Nepal was completely autonomous and independent internally. But her foreign relations were strictly limited to its relations with the Government of India, that is to say, the British Government functioning in India. That was a very limited outlook or approach to international relations¹.

Now, when we came into the picture, we assured Nepal that we would not only respect her independence, but we wanted to see Nepal develop into a strong and progressive country. We went further in this respect than the British Government had done; that is to say, Nepal began to develop other foreign relations. We welcomed it. We did not come in the way, although that was something far in addition to what had been the position in British times. Naturally, and quite frankly, we do not like, and we do not propose to like, any foreign interference in Nepal. We recognise Nepal as an independent country. We wish it well. But any child knows that you cannot go to Nepal without passing through India. So our relationship is intimate and no other country's relationship with Nepal can be as intimate, and every other country must have to realise and appreciate this intimate geographical, cultural and other relationship of India and Nepal. There is no way out except by realising this fact.

So, three years ago or more, we assured Nepal of our desire that Nepal should be a strong country and an independent country; and we always added, a progressive country.

We added that because in the nature of things, we stood not only for progressive democracy in our own country, but round about also. We talk about it not only in Nepal but also in distant quarters of the world and we are not going to forget it when our neighbouring countries, when a country on our doorsteps was concerned. But our advice was friendly and was given in as friendly a way as possible. We pointed out that while the world was changing, rather rapidly, if Nepal did not make some effort to keep pace to go in that direction, there may be some pushing about later.

¹ Amplifying his remarks the next day in Parliament, Mr. Nehru said : "What I wish to make clear is that I was not hinting at the fact that the British Government in India prevented them from doing so, but rather that they themselves did not think it necessary or desirable or feasible to develop these international contacts."

But it was rather a difficult thing for us, because we did not wish to interfere in Nepal in any way.

We wished to treat Nepal as an independent country and at the same time, we saw that unless something was done in the internal sphere there, difficulties might arise. This process was going on and the advice we gave in all friendship did not produce much result. Then, in the last fortnight or it may be three weeks, these sudden developments have taken place there. And now our interest in the internal conditions of Nepal became still more acute and personal, if I may say so, because of the developments across our borders, because of the developments in China and Tibet, to be frank. And regardless of our feelings about Nepal, we were interested in our own country's security, in our own country's borders. Now we have had from immemorial times, a magnificent frontier that is to say, the Himalayas. It is not quite so difficult as it used to be, still it is difficult, very difficult. Now so far as the Himalayas are concerned, they lie on the other side of Nepal, mostly, not on this side. Therefore, the principal barrier to India lies on the other side of Nepal and we are not going to tolerate any person coming over that barrier. Therefore, much as we appreciate the independence of Nepal, we cannot risk our own security by anything going wrong in Nepal which permits either that barrier to be crossed or otherwise weakens our frontier¹. So that recent developments made us think even more furiously about this Nepal situation than previously we had done. Previously we had gone on in our own patient way, advising in a friendly way, pointing out the difficulties, pointing out what should be done and what should not be done but with no great result.

Now the present position has arisen and as the House knows the King of Nepal is at the present moment in Delhi. Also two Ministers or members² of the Nepalese Government are in Delhi at present and we have been having certain talks with them. Those talks have thus far yielded no result. And may I in this connection warn this House not to rely too much on all sorts of statements that appear in the newspapers. They have seldom any basis in fact, nowadays.

Again we pointed out to the present Government of Nepal and to the Ministers who have come here that we desire above all a strong and progressive, independent Nepal. In fact, if I may put it in order of priority, our chief need—not only our need but also the world's need—is peace and stability in Nepal at present. But having said that, I should also like to add that we are convinced that there can be no peace or stability in Nepal by going back to the old order completely. That is a matter of judgement, not of desire. Probably any Member who has any knowledge of the situation can realise it himself that there can be no going back exactly to the old order.

We are anxious, as I said, to have peace and stability there. Therefore, we have tried, in so far as our advice is of any worth, to advise in a way so as to prevent any major upset there; we have tried to find a way, a middle way

¹ Nine years later on June 11, 1959 immediately on arrival at Kathmandu on a State visit, Mr. Nehru said in his airport speech: "The Himalayas are a great force which none can affect. The Himalayas are the old friends of Nepal and India and guard us both. They form the common link in the poetry, literature, art and religion of our countries."

² General Kaiser Shumsher and Bijaya Shumsher.

if you like which ensures the progress of Nepal, the introduction of or some advance in the ways of democracy in Nepal and at the same time, a way which does not uproot the old completely. We want some way like that. Whether it is possible or not I do not know. We have suggested these things and that is the position in regard to Nepal.

One thing more and that is in regard to the King of Nepal. There has been a good deal also of talk and reference in the newspapers about the recognition of this King or that King. The fact of the matter is that the moment we came as Government, as soon as our Ambassador went there—we in common with other countries associated with Nepal—our Ambassador naturally went to the King, although the House will remember that the Constitution of Nepal—I use a strange phrase 'Constitution of Nepal', for Nepal has no Constitution. Nevertheless, the practice that has governed Nepal during the last nearly one hundred years or so has been the practice in which the King has no say—not little say but no say. Nevertheless, because of international conventions our Ambassador had to go to the King as the head of the State and so did other Ambassadors. So somehow or other, because of these factors and because of Nepal coming into contact in the diplomatic field with some other nations, a slight difference came in with regard to the position of the King in relation to other nations, regardless of the internal situation. To say that we recognise the King has no meaning. We went to the King and he was considered the head of the State : we recognise the King that way, if you like.

We continue to recognise the King and we have no reason why we should do anything else and we propose to continue doing so. So this question in the way or shape in which it has arisen does not arise at all so far as we are concerned.

We are a patient Government, perhaps too patient occasionally; and we are trying hard to find a way out by friendly talk, by friendly counsel and we shall continue to do so. But I do feel that if this matter goes on being dragged along without some way out being found in the near future, it will not be good for Nepal and it might possibly become a little more difficult to find that middle way which we have been advising and advocating all this time.

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(*Parliamentary Debates, Part II* : December 6, 1950 : Cols. 1267-71)

4. Press conference of Mr. Jawaharlal Nehru, New Delhi, November 13, 1954 (Excerpts)

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Question: It was reported after your return from China that two concrete results of your visit were that China has accepted that Nepal is in the sphere of influence of India, and that China will start diplomatic relations with Nepal.

Answer: I am sorry, but many statements that have appeared in the Press about my visit to China, have been far from accurate. Sometimes they may have some grain of truth. So far as Nepal is concerned, it is a well-known fact and contained in our treaties and in our other agreements with that country

that we have a special position in Nepal, not interfering with their independence and not looking with favour anybody else interfering with their independence. You will remember that in the past, before India became independent, Nepal was not really independent. It was very much under the British Government, in regard to external matters. When we became independent, we went much further in recognising the independence of Nepal than the British Government had done—and this was before the changes in Nepal, when the Rana regime was there. India's special position in regard to foreign affairs in Nepal was recognised and that is an admitted fact. As for diplomatic relations between Nepal and China, that is a matter which the Nepalese Government no doubt will deal with in its own way.

Question: Does China recognise India's special position regarding Nepal ?

Answer: I did not ask them to recognise anything. I do not want anybody's assurance or guarantee of my position. I am quite happy about it.

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(Nehru, Jawaharlal; *Press Conferences* : Information Services of India, New Delhi : 1954 : 27-28)

5. Statement of Mr. B. P. Koirala, about Nepal's status vis-a-vis Indo-Nepalese Treaty of Peace and Friendship, 1950, Kathmandu, November 29, 1959

NEPAL is a fully sovereign independent nation. It decides its external and home policy according to its own judgement and its own liking without ever referring to any outside authorities. Our Treaty of Peace and Friendship with India affirms this.

I take Mr. Nehru's statement¹ as an expression of friendship that in case of aggression against Nepal, India would send help if such help is ever sought. It could never be taken as suggesting that India could take unilateral action.

Is there any apprehension of aggression from any quarter? The answer is definitely no. We are at peace with everybody and we do not apprehend any danger from any quarter.

I do not know the international status of Bhutan and its relations with India. But Nepal is an independent sovereign nation and there can never be any doubt with regard to this fact. No one need ever have any doubt about our sovereignty and independence. Our membership of UN is an instance of sovereignty and independence.

(*Asian Recorder* : 1959 : V(51) : 3061)

¹ On 27th November, 1959 the Prime Minister of India in the course of his speech on international affairs in the Lok Sabha referred to Sino-Indian border troubles and in that context declared : "May I just repeat what we have declared that any aggression on Bhutan or Nepal will be considered by us aggression on India."

6. Press conference of Mr. Jawaharlal Nehru, New Delhi, December 3, 1959 (Excerpts)

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RELATIONS WITH NEPAL

Question: Will you comment on the reaction to your statement¹ in Parliament about Nepal?

Prime Minister: Certainly. I think what the Prime Minister of Nepal, Mr. B. P. Koirala, has said is completely correct. The statement I made struck many people as perhaps a novel statement but it was merely stating that the position has been for the last ten years. That is, I say ten years, you may say even more than ten. But I am saying ten years because there was a Treaty ten or nine years ago with Nepal.

That treaty is the Treaty of Peace and Friendship between the Government of India and the Government of Nepal, 31st July 1950. Article 1 of the Treaty stated that "the two Governments agree to acknowledge mutually and respect the complete sovereignty, territorial integrity and independence of each other". Article 2: "The two Governments hereby undertake to inform each other of any serious friction or misunderstanding with any neighbouring State, likely to cause any breach in the friendly relations existing between the two Governments."

There is much else in the Treaty, but attached to the Treaty were letters that were exchanged on that very day, as is often done. In these letters apart from other matters, there is a paragraph: "Neither Government shall tolerate any threat to the security of the other by a foreign aggressor. To deal with any such threat, the two Governments shall consult with each other and devise effective counter measures." This occurs in both the letters, the letter from Nepal to India and India to Nepal.

It is not a military alliance by any means but a mutual assurance between friendly countries. I had that in my mind. I was not aware, even, that I was making some novel statement and Mr. B. P. Koirala has correctly interpreted it. There is no question of India or any country taking unilateral action. That is absurd. It is a question of functioning as friendly countries and being helpful to each other in case of danger.

A Correspondent: The functioning of our External Publicity, I hope that if the treaty or this letter had been shown to us two or three days ago, much of the confusion would have gone.

Prime Minister: That may be so. Perhaps they were not quite sure if letters which at that time were confidential should be published. Perhaps our Ministry people thought so, but on rethinking, we thought the time had passed for them to be kept completely confidential.

Question: What is the period of the Treaty?

Prime Minister: I really forget, I do not think there is any period. I am not sure. Is Mr. Dutt (Foreign Secretary) here? Anybody from our Ministry here?

Shri S. Dutt: For an indefinite period.

¹ Of 27th November 1959, made in Lok Sabha.

Prime Minister: Indefinite period.

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(Press Information Bureau, Government of India)

7. Speech of Mr. Jawaharlal Nehru in the Rajya Sabha, New Delhi, December 8, 1959 (Excerpts)

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Now, some little time back I mentioned what our responsibilities were apart from the obvious responsibilities of defending India and Indian territory. I mentioned some names of some neighbouring countries. It is undoubtedly true that our responsibilities extend to these neighbouring countries—and it is not in a light-hearted manner that I mentioned them which add to the burdens that we carry, heavy as they are, but because those responsibilities were undertaken by us many years ago. We have to stand by them whatever the consequences—our neighbouring countries—Sikkim, Bhutan and Nepal. Now, each one of them stands on a separate footing and let us not mix them up. Nepal, of course, is an independent country just like India is independent and whatever it chooses to do in the exercise of that independence, we cannot come in the way. But, if I mentioned Nepal on the last occasion¹, it was because nearly nine years ago, there was a clear understanding between the Governments of Nepal and India on this point. There was no military alliance. It was a clear understanding which was advantageous to both and in order to remove any doubts from Honourable Members' minds, I shall read out the words of that understanding. This treaty between India and Nepal, a treaty of peace and friendship, was signed on the 31st July 1950. I shall read the first two articles.

Article 1 states:

“That the two Governments agree to acknowledge and respect the complete sovereignty, territorial integrity and independence of each other”.

Article 2 says:

“That the two Governments hereby undertake to inform each other of any serious friction or misunderstanding with any neighbouring State likely to cause any breach in the friendly relations existing between the two Governments.”

Now, apart from this treaty—but it is an essential operative part of that—there was an exchange of letters between the two Governments in identical language, as was the custom. In these letters there is this sentence:

“Neither Government shall tolerate any threat to the security of the other by a foreign aggressor. To deal with any such threat, the two Governments shall consult with each other and devise effective counter-measures.”

¹ November 27, 1959.

This was the clear understanding arrived at and therefore I thought it desirable to state that. In fact I was a little surprised that people did not know this. The words may not have been known but the position itself was pretty well known and I want to make it perfectly clear that this understanding has nothing to do with any kind of unilateral action on our part. We cannot do it, we will not do it. We are going to take no step in regard to Nepal or in Nepal. That is for the Government of Nepal to decide but it is in mutual interest—it is stated in these letters and the treaty—for us to associate ourselves, first of all in knowledge as to what is happening, and secondly, in the counter-measures that might have to be taken. The Prime Minister of Nepal, the other day, said something on this subject and may I say that I entirely agree with his interpretation of this position?

(Rajya Sabha Debates: XXVII(12) : December 8, 1959: Cols. 1716-18)

8. Speech of Mr. Rishikesh Shaha in the U.N. General Assembly on the Question of Hungary, New York, December 8, 1959 (Excerpts)

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WE know that the United Nations remains yet to be perfected as an instrument of protecting legitimate freedom and the interests of the small nations against being encroached upon by the mighty and the rich. But however imperfect an instrument the United Nations may be, for this purpose it is the only one to which small countries like mine can have recourse in times of their trial and distress. The price Hungary had to pay for the profession of her neutrality and freedom had yet, in another way, a special significance and meaning to a country like mine that believes in a policy of non-alignment and no military pacts of any kind and seeks to pursue an independent foreign policy of judging every international issue on its merit, without committing itself beforehand to any course of action for or against anyone.

This, of course, has nothing to do with our ideological inclinations and sympathies, which are only too well indicated by our earnest efforts to set up and work out institutions of representative democracy. Situated as we are between the two vast land masses of Asian civilization, we, for our part, have always relied for the maintenance of our freedom and security on the steadfast and conscientious practice of what has now become fashionable to call peaceful co-existence.

From our own experience, I must say that our reliance on this principle has served us well enough, since Nepal has survived as a separate and independent entity throughout her history, even in times of great upheavals as a result of which empires rose and fell on both sides of her. What would have become of us if either one of our two great neighbours thought it necessary to take us under its protective wing for whatever the reasons may be? Our faith in the principle of peaceful co-existence as the very basis of our survival has been reinforced by our own experience in history.

So great is our faith in self-reliance in this matter that my Prime Minister, Mr. Koirala who is a great friend of India and has fought for India's independence as much as for freedom in his own country, reacted to Prime

Minister Nehru's declaration that an attack on Nepal would be taken as an attack on India by politely saying that this expression of friendliness on India's part did not in any way imply her coming to Nepal's rescue without being requested by Nepal herself to do so. I must say that Mr. Nehru, two days later, in a highly commendable spirit approved of the construction put on his earlier declaration by the Prime Minister of Nepal. This is only to show how a pattern of relationship between two countries, big and small, could operate successfully and smoothly on the basis of the principle of peaceful co-existence.

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(U.N. General Assembly, Official Records: 849th Plenary Meeting: December 8, 1959: paras 213-16)

B. Political Relations

(i) DEVELOPMENT OF FRIENDLY RELATIONS

9. Treaty of Peace and Friendship, Kathmandu, July 31, 1950

THE Government of India and the Government of Nepal, recognising the ancient ties which have happily existed between the two countries for centuries;

Desiring still further to strengthen and develop these ties and to perpetuate peace between the two countries;

Have resolved therefore to enter into a Treaty of Peace and Friendship with each other and have, for this purpose, appointed as their plenipotentiaries the following persons, namely,

The Government of India:

His Excellency Shri Chandreshwar Prasad Narain Singh, Ambassador of India in Nepal.

The Government of Nepal:

Maharaja Mohun Shamsher Jang Bahadur Rana, Prime Minister and Supreme Commander-in-Chief of Nepal,

who, having examined each other's credentials and found them good and in due form have agreed as follows:

Article I

There shall be everlasting peace and friendship between the Government of India and the Government of Nepal. The two Governments agree mutually to acknowledge and respect the complete sovereignty, territorial integrity and independence of each other.

Article II

The two Governments hereby undertake to inform each other of any serious friction or misunderstanding with any neighbouring state likely to cause any breach in the friendly relations subsisting between the two Governments.

Article III

In order to establish and maintain the relations referred to in Article I the two Governments agree to continue diplomatic relations with each other by means of representatives with such staff as is necessary for the due performance of their functions.

The representatives and such of their staff as may be agreed upon shall enjoy such diplomatic privileges and immunities as are customarily granted by international law on a reciprocal basis:

Provided that in no case shall these be less than those granted to persons of a similar status of any other State having diplomatic relations with either Government.

Article IV

The two Governments agree to appoint Consuls-General, Consuls, Vice-Consuls and other consular agents, who shall reside in towns, ports and other places in each other's territory as may be agreed to.

Consuls-General, Consuls, Vice-Consuls and consular agents shall be provided with exequaturs or other valid authorization of their appointment. Such exequatur or authorization is liable to be withdrawn by the country which issued it, if considered necessary. The reasons for the withdrawal shall be indicated wherever possible.

The persons mentioned above shall enjoy on a reciprocal basis all the rights, privileges, exemptions and immunities that are accorded to persons of corresponding status of any other State.

Article V

The Government of Nepal shall be free to import, from or through the territory of India, arms, ammunition or warlike material and equipment necessary for the security of Nepal. The procedure for giving effect to this arrangement shall be worked out by the two Governments acting in consultation.

Article VI

Each Government undertakes, in token of the neighbourly friendship between India and Nepal, to give to the nationals of the other, in its territory, national treatment with regard to participation in industrial and economic development of such territory and to the grant of concessions and contracts relating to such development.

Article VII

The Governments of India and Nepal agree to grant, on a reciprocal basis, to the nationals of one country in the territories of the other the same privileges in the matter of residence, ownership of property, participation in trade and commerce, movement and other privileges of a similar nature.

Article VIII

So far as matters dealt with herein are concerned, this Treaty cancels all previous treaties, agreements and arrangements entered into on behalf of India between the British Government and the Government of Nepal.

Article IX

This Treaty shall come into force from the date of signature by both Governments.

Article X

This Treaty shall remain in force until it is terminated by either party by giving one year's notice.

(At a Press Conference in New Delhi on 3rd December 1959 Prime Minister Mr. Jawaharlal Nehru disclosed that letters were exchanged along with the signing of the Treaty which have been kept secret—*Editor*)

(*Foreign Policy of India, Text of Documents; Lok Sabha Secretariat, New Delhi: 1966: 56-58*)

10. Statement of Mr. Jawaharlal Nehru in Parliament, New Delhi, December 21, 1950

IN the course of the debate on Foreign Affairs in the House, on the 6th December¹, I made a reference to Nepal. I stated then that we would not only respect her independence but wanted her to develop into a strong and progressive country. I explained how our interest in the internal conditions of Nepal had become greater and more immediate, as our own security was affected by the recent developments there.

We were anxious that there should be peace and stability in Nepal. At the same time, we felt that the introduction of substantial political reforms was essential for this purpose. It was on this basis of respect for Nepal's independence, combined with an urgent interest in political reforms there, that we carried on our conversations with the representatives of the Government of Nepal who were recently in Delhi. We explained our position fully to these representatives, Generals Kaiser Shumsher and Bijaya Shumsher, and, at their request, we gave them, on the 8th of this month, a memorandum defining our aims and proposals. For the information of the House, I shall read out this memorandum.

“The Government of India's primary objective is that Nepal should be independent, progressive and strong. For this purpose they regard immediate constitutional changes, which will satisfy popular opinion and be acceptable to important non-official organisations of Nepalese nationals as urgent. In their view, it is necessary—

- (1) That a Constituent Assembly, composed entirely of properly elected members, should be brought into being as soon as possible to draw up a Constitution for Nepal;
- (2) Pending the meeting of the Constituent Assembly mentioned in (1), an Interim Government, which will include persons representative of popular opinion and enjoying public confidence, should be established. Apart from an adequate number of popular representatives, this Interim Government should include members of the Rana family, one of whom should be Prime Minister. Members of the Interim Government should be formally appointed by the King on proposals submitted by the Prime Minister. This Government should function as a Cabinet, on the principle of joint responsibility and should frame its own rules of business.

(3) In the interests of peace as well as stability, His Majesty King Tribhuvan Bir Bikram Shah should continue to be King of Nepal. During the King's absence, he may appoint a Regent to act on his behalf during that period.

2. These suggestions are made in a spirit of sincere friendship and with the sole object of ensuring the stability and progress of Nepal. They are necessarily suggestions of principle. Once the principles are accepted, details could easily be worked out. The Government of India will be glad to give any assistance that the Government of Nepal may need in working out the details of a Constitution and on connected matters. They wish to emphasise that, in order that the changes now made should work smoothly, it is of paramount importance that the present authoritarian regime should be liberalised in spirit as well as structure, and that the changes should satisfy all progressive minded Nepalese nationals."

The proposals contained in this memorandum aimed at a peaceful settlement in Nepal and, therefore, provided for substantial reforms which, at the same time, would preserve continuity and involve no sudden break with the past.

On the 19th December I received a reply from the Prime Minister of Nepal which reads as follows:

"Our representatives who had been to New Delhi have brought with them the Memorandum containing friendly suggestions and advice offered by Your Excellency and the Government of India with the sole object of ensuring the independence, stability and progress of Nepal. I need not say that any advice and suggestions given in a spirit of friendship by our great neighbour have always been received by us with the attention they deserve. My Cabinet has been actively considering the matter, but as momentous changes are envisaged, they are naturally taking some more time to consider the matter than was originally anticipated. Careful thought is necessary before we actually decide on steps which will bring about far-reaching changes without jeopardising the stability and peace of the country. Nevertheless we are working on the matter with as much speed as is possible and I am confident that we will be able to prepare a proclamation addressed to the people of Nepal announcing the Constitutional Reforms and other matters before the end of the month. I shall send an advance copy of it as soon as it is ready.

I should like to take this opportunity of expressing to the Government of India and to Your Excellency in particular, sincere thanks on behalf of my Government and myself for the kindness and courtesy with which our representatives were received in Delhi, which enabled the discussions to be carried on in an atmosphere of friendship and cordiality.

With warm personal regards."

We appreciate the friendly tone of this reply and have no desire to hurry the Government of Nepal. At the same time, we cannot ignore the fact that delay in a settlement is likely to make the situation worse. The world situation, unfortunately, has grown darker since we discussed international affairs earlier this month. It is our firm conviction that the longer political reforms and a satisfactory settlement are delayed in Nepal, the greater the danger to Nepal's security and internal tranquility.

The suggestions that we made in our memorandum were made in a spirit of sincere friendship and with the sole object of ensuring the stability and progress of Nepal. They were formulated after great care and in the hope that these suggestions will be examined and dealt with by the Government of Nepal in the spirit in which they had been offered.

As I have stated previously, we have continued to recognise His Majesty King Tribhuvan Bir Bikram Shah; we feel that, in all the circumstances, this is the right course, and any discontinuance of recognition would produce many complications and would come in the way of a peaceful settlement. Any other arrangement, such as the replacement of the constitutional head of the Kingdom by a Council of Regency, appointed by the Prime Minister to act in the name of a child King¹, would make the introduction and smooth working of progressive constitutional changes more difficult.

As the House is aware, we have observed the strictest neutrality in the internal struggle in Nepal. Our officers in the border areas have been instructed accordingly, and they have carried out these instructions. In some of these areas within Nepal, some of our officers and men are carrying out public works in which both the Government of India and the Government of Nepal are interested. One of these major activities is in connection with the Kosi River Project. The work of our men there has been considerably interfered with on account of the disturbed state of the country. In strict accord with our policy of neutrality, we have asked the Nepal Government to take necessary measures for enabling this work to be carried on and have taken no other steps to protect our personnel or property.

(Parliamentary Debates, Part II: December 21, 1950: cols. 2138-42)

11. Speech of Mr. Jawaharlal Nehru at a public meeting, Kathmandu, June 14, 1951 (Excerpts)

SINCE a very long time, it has been my desire to come to Nepal. This desire had been fulfilled today. This has given me pleasure. The reception accorded to me by the Maharajadhiraja, the Government and the people has given me very great pleasure, and I am very grateful to you all. I have come to Nepal for the first time. Nepal is a very ancient kingdom, and for centuries has had very close ties with India. These ties can be traced back to the times of Buddha and Ashoka. Because of these close ties, I have had no feeling so far that I have come to a foreign country. Today I have met a lot of people. Some of them, I knew; others I did not; but all of them had a friendly look in their eyes.

* * * * *

Nepal has been a free nation since a very long time, and it has been our desire that the country should continue to exist as an independent nation. The disturbed conditions in the world have strengthened our resolve to help you maintain your freedom, because you have been our traditional friend. If some of you feel that India wishes to interfere in your affairs, then that would be a wrong notion. Firstly because this would be contrary to the

¹ Three-year old Prince Gyanendra, the second son of the Crown Prince Mahendra (the present King of Nepal).

fundamentals of our national policy, and secondly because it is in our own interest to honour your independent status.

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You and your country are facing very great problems. Our country is facing still greater problems. We have got to solve these. If we get scared, and do not attempt to solve these problems, then we shall lag behind the fast moving world. You will agree with me that the condition of the masses in India and Nepal is not really satisfactory. We have got to bring about an improvement in these conditions. This would necessarily involve certain changes, but, if we try to bring about these changes through violent means, then human values will be destroyed; weakness will creep in and the independence of your nation will be endangered. What is the solution then? We have got to forge forward; we have got to improve the lot of masses; and yet we cannot afford to do it through violent means. The answer, therefore, is to take the middle course.

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Your progress and prosperity depends upon your leaders. I cannot do very much in the matter, except to give you advice not in my capacity as the Prime Minister of India, but as your comrade and friend. As I have told you, your prosperity depends upon your leaders, but you must understand that you cannot achieve anything great by criticizing others. If you wish to achieve anything great, you must plan it properly. But no plan can be really successful, unless the Government has the support of the people, and there is peace in the country. Each one of you must clearly understand that you have got to do your bit for the welfare of the country. The mere creation of new laws cannot and does not bring about improvement, if people continue to indulge in evil activities. You cannot do anything great by following the wrong path. If you will keep these things in view, I have no doubt that Nepal will achieve great progress.

During last six months, you have witnessed great changes in the administration of your country. This has been achieved by very little blood-shed. You have set an example for the world of a blood-less revolution, and you must keep it up. If you want our advice, help or experts, we shall give these to you; but we do not wish to interfere in your affairs.

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(Courtesy : Ministry of External Affairs, Government of India)

12. Press note of the Government of India, New Delhi, February 23, 1952 MILITARY MISSION TO NEPAL

AT the request of the Government of Nepal, the Government of India have agreed to send a military mission to assist in the training and reorganisation of the Nepalese army. The mission, which will consist of 20 officers and men in the first instance, is scheduled to leave for Kathmandu on February 27. Later on, it may be strengthened if the Government of Nepal consider this necessary¹. A Major General of the Indian Army will be the

¹ On 14th December 1953, Mr. Nehru, informed the Council of States that the strength of the Military Mission had been raised to 197 including officers. He also said that pay and compensatory allowance were borne by the Government of India while expenditure on accommodation and transport was borne by the Nepal Government.

head of the Indian Mission.

(Press Information Bureau, Government of India)

13. Treaty of Extradition, Kathmandu, October 2, 1953

THE Government of India and the Government of Nepal, being desirous of regulating extradition of criminals as between the two countries, have resolved to enter into a new Treaty of Extradition with each other, and have for this purpose, appointed as their plenipotentiaries the following persons, namely,

The Government of India:

His Excellency Shri Bhalchandra Krishna Gokhale, Ambassador of India in Nepal.

The Government of Nepal:

The Hon'ble Shri Matrika Prasad Koirala, Prime Minister of Nepal, who having examined each other's credentials and found them good and in due form have agreed as follows:

Article I

The two Governments hereby engage on a basis of strict reciprocity to deliver up to each other those persons, who, being accused, or convicted, of a crime committed in the territory of one Government shall be found within the territory of the other Government, under the circumstances and conditions stated in the present Treaty.

Article II

Neither Government shall be bound in any case to surrender any person who is not a national of the country by the Government of which the requisition has been made, except where such person is accused of having committed the offence specified in clause (10) of Article 3.

Article III

The offences for which extradition is to be granted in accordance with this Treaty are the following, namely:

- (1) Murder or attempt or conspiracy to murder.
- (2) Culpable homicide not amounting to murder.
- (3) Grievous hurt.
- (4) Rape.
- (5) Dacoity.
- (6) Highway robbery.
- (7) Robbery with violence.
- (8) Burglary or house breaking.
- (9) Arson.

- (10) Desertion from Armed Forces.
- (11) Offences against the laws prohibiting the export and import of goods.
- (12) Embezzlement by public officers.
- (13) Serious theft, that is to say, cases of theft where violence has been used or where the value of the property stolen exceeds Rs. 500 and cattle stealing.
- (14) Abduction or kidnapping.
- (15) Forgery and the use of what is known to be forged, counterfeiting or altering money; uttering or bringing into circulation counterfeited or altered money.
- (16) Receiving of illegal gratification by a public servant.
- (17) Escaping from custody while undergoing punishment after conviction for any of the offences specified in clauses (1) to (16).

Article IV

In no case shall either Government be bound to surrender any person accused of an offence except upon a requisition duly made by or under the authority of the Government in whose territories the offence is alleged to have been committed and also upon such evidence of criminality as according to the laws of the country in which the accused person shall be found, would justify the apprehension and sustain the charge if the offence had been there committed.

Article V

Neither Government shall be bound to surrender any person if the offence in respect of which the surrender is demanded be of a political character, or if he proves that the requisition for his surrender has in fact been made with a view to trying or punishing him for an offence of a political character.

Article VI

Extradition shall not take place if the person whose extradition is claimed by one of the Governments has already been tried and discharged or punished or is still under trial in the territory of the other Government for the crime for which extradition is demanded.

Article VII

If the person whose extradition is claimed by one Government is under trial for any crime in the territory of the other, his extradition may be deferred until the conclusion of the trial.

Article VIII

A person surrendered shall in no case be detained or tried in the territory of the Government to which the surrender has been made for any other crime or on account of any matter other than those for which extradition has taken place until he has been restored, or had an opportunity of returning, to the territory of the Government from which he was surrendered.

Article IX

If evidence sufficient to justify the extradition is not produced within two months from the date of apprehension of the fugitive or within such further period as may be allowed by the Government to which the requisition for extradition has been made or by the Court before which the evidence is to be produced, the fugitive shall be set at liberty.

Article X

The expenses of any apprehension, detention or surrender made in pursuance of this Treaty shall be borne and defrayed by the Government making the requisition.

Article XI

This Treaty supersedes and cancels all previous Treaties, Agreements and Engagements on the subject.

Article XII

This Treaty shall come into force without ratification, one month after the date of signature by both parties and may be terminated by either party by giving one year's notice.

Done in duplicate at Kathmandu, this 2nd day of October, 1953.

BHALCHANDRA KRISHNA GOKHALE

MATRIKA PRASAD KOIRALA

For the Government of India

For the Government of Nepal

(*Foreign Policy of India, Text of Documents* : Lok Sabha Secretariat, New Delhi : 1966 : 59-62)

14. Speech of Dr. Rajendra Prasad at a state banquet, Kathmandu, October 22, 1956

I wish to thank you on behalf of the Government and people of India and on my own for the kindness and affection that you and your people have shown to us during our brief stay in your great capital.

I bring to Your Majesties and to your Government and people the fraternal greetings and good wishes of the Government and people of India. I shall carry back with me happy memories of the warmth and friendliness that I have received here. It is but natural that the peoples of our two countries should entertain warm regard and affection for each other because of our age-old relationship based on culture, religion, race, language and other common interests. We are parts of the same sub-continent, standing together in perpetual amity and friendship. India is vitally interested in the peace and prosperity of your great country and I am sure you are equally interested in ours. What happens in India is bound to have its repercussions in Nepal and *vice versa*. We are faced with common problems and we cherish common ideals. We are both under-developed countries and are striving hard to improve the standard of living of the common man. While we in India have just completed our first Five-Year Plan and started on the second, you are

embarking on your first Five-Year Plan. Our experience will be at your disposal; and we shall do the best we can to assist in the progress and development of your country.

The last few years have seen momentous changes in the history of Asia. Both India and Nepal have experienced these changes. The days of feudalism and colonialism are gone for ever. We hope that the scourge of war has also gone and that we shall have peace and goodwill on earth. Towards this common aim both our countries have to strive together because peace is the greatest need of not only our two countries but also of Asia and the world.

India and Nepal are inseparably linked together by strong ties since time immemorial. These ties have bound us together in the past and will, I feel sure, bind us for ever in future. Your country and mine follow a policy of peace and friendship towards all. Therefore your friends are our friends and our friends are your friends. Any threat to the peace and security of Nepal is as much a threat to the peace and security of India. We do not believe in military alliances or military blocs. We believe in the method of peaceful negotiations to solve international conflicts. We do not threaten the sovereignty or integrity of any other state. Nor do we wish to interfere in the internal affairs of other countries. In these ideals and aspirations we believe that Nepal is with us and we are with Nepal.

Our common outlook, our common interests and our mutual ties have been specially strengthened in recent years and we look forward to strengthen them further in the future. Nepal has preserved many aspects of our cultural heritage even better than we ourselves have done in India. It is for this reason that many people in India have a particularly warm corner for Nepal in their hearts. Events in recent years have brought us closer together. We hope that through mutual co-operation and trust, through mutual friendship and respect, we shall progress hand in hand towards the attainment of our common goals and ideals. The close friendship and ties of our two countries are an example to the rest of Asia and the world and a strong force for the preservation of peace.

(Speeches of President Rajendra Prasad; 1952-56 : Publications Division, New Delhi: 67-68)

15. Speeches of Mr. Jawaharlal Nehru and Mr. Tanka Prasad Acharya at a banquet, New Delhi, December 4, 1956

Prime Minister of India, Shri Jawaharlal Nehru:

You all know that we have met here to welcome the Prime Minister of Nepal. Although he is a distinguished guest of ours, yet we do not feel that he is different from us. He is very near to us, just as Nepal is our neighbour. In reality, our two countries are tied by the silken bonds of geography, history and culture. Despite the historical and political changes that have taken place, the close relationship of culture is permanent. We therefore welcome tonight a close friend and neighbour.

A few years ago, we saw a revolution in Nepal and the Government which had existed for a hundred years was changed. There was a little trouble

but what is surprising is that in spite of this, everything was settled in a peaceful way. That was the first step but it was a big step to have changed the Government which had been in existence for a hundred years. After that the country progressed on peaceful lines. It is clear that we in India followed with interest what was happening in Nepal and the progress it made. Yesterday I was speaking to the Prime Minister when I told him that India was interested in two things—one, the independence of Nepal and, second, its progress. To the extent that these exist in Nepal, it is of advantage to India also. We all know that during these years there were many difficulties.

It was not easy to change the Government in Nepal¹. Other difficulties came in the way; there are still difficulties, but gradually these were overcome and Nepal progressed. I am confident that we will be able to help Nepal in her progress and we will consult each other to our mutual benefit. India is not unknown to you. Although you have come here for a few days you will see something of the country. During this tour of India, you will see those areas which you have not seen before, especially those where new projects are coming up and a new India is being made. We do not compete with other nations. Neither do we hope to do so nor is there any scope for this. We have our own methods following the footsteps of Mahatma Gandhi who was a unique personality of this age. We are ordinary *mortals* but his personality affected the hearts and minds of countless persons of this country. The path that we follow is to learn from other nations, and it is our endeavour to learn but at the same time we cannot forget the lessons which Mahatmaji taught and it is our endeavour to follow him. That is reflected in our relationship with foreign countries. It is epitomised in the word "Panch Sheel". People think that this is something new. This is hundreds of years old, rather thousands of years ago its foundation was laid in India. The word "Panch Sheel" is 2500 years old. It was current during Emperor Ashoka's time and however much we might have strayed away, Mahatma Gandhi brought this message once again to us, and it guides our policy though occasionally, we might wander away. It is my belief that gradually the world will also get out of the turmoil and strife of today by following this path. That path leads us to friendship with other countries. But as I have already mentioned, it is not necessary to emphasise this in the case of Nepal, because history, geography, culture which bind our two nations are stronger than any temporary mistake which might be made. We are therefore very happy that you have come here as a representative of the Government of Nepal and as its Prime Minister. We will talk, discuss with each other and learn from each other and strengthen these ties.

I hope you will be able to see something of the new India which is now being fashioned. At the same time, we have not given up our past. We certainly would like to shed some of its evils but the essentials will remain. At the same time, we have to tread the new path. You will have a glimpse of this. We will try and learn something from your experience and advice. I hope that in your next trip, you will come for a longer period. Thus, we will be able to learn from each other what progress is being made.

Nepalese Prime Minister, Tanka Prasad Acharya:

I am glad to be in your midst tonight. Nepal and India have had an unbroken period of friendship because of the similarity of their culture and

¹The Rana Government.

their natural affinity. Since ancient times, Nepal has had feelings of personal relationship and friendliness towards India. For centuries, we have been friends. We have also been close to each other in times of stress and strife.

India has laboured much for the cause of world peace and continues to do so. India has been very active in averting threats to peace and in solving the problems of the world by mutual negotiation, simultaneously with working for world peace. India has also achieved notable success in the field of construction and development in the country. Having successfully completed its first Five-Year Plan, the country has now launched her second Plan. I feel that this internal progress will be helpful in the maintenance of world peace. I hope that India's nearest neighbour, Nepal, will also benefit by your progress and development. Today it is necessary for the under-developed countries of Asia to become strong through planned internal development and to strengthen their ties of mutual friendship. In the past, the backwardness of the Asian countries has been responsible for their loss of freedom. The honour and respect we received in the world was negligible. We are glad today that India attained its independence and is now achieving success in its many-sided progress. At the same time, India is also setting an example of the working of democracy. In fact, this is the result of the devotion of Indian leaders to duty and the Indian people's faith in democracy and lasting peace. In keeping with her ancient tradition and culture, India is helping in the important task of resolving political problems. India's efforts in furthering the cause of world peace, friendship, co-operation and unity have had a significant effect on world events. India is now vigilantly engaged in fighting the causes of unrest through truth and non-violence. Having faith in the United Nations, India's efforts to fight injustice by means of peaceful and democratic methods are worthy of emulation. I am confident, India will be successful in her efforts. In the difficult world situation today, China too, with India, has to shoulder a great international responsibility. Nepal too considers it her duty and responsibility to help world peace by the maintenance of India-Chinese friendship, co-operation and unity.

India has helped Nepal in her development in a variety of ways. In addition to expert advice from India, Nepal has received necessary help in other ways. Nepal and her people are grateful to India for her friendship and goodwill and fulfilling her duty towards a smaller neighbour.

We are grateful to India for inviting us and giving us this opportunity of studying her plans, work of re-construction and development.

(Press Information Bureau, Government of India)

16. Press conference of Dr. K. I. Singh, Kathmandu, August 3, 1957 (Excerpts)

“WE shall support India over the Kashmir issue. There is no doubt about this. Kashmir was and is a part of India and the people of Kashmir desire to live with the Indian Union; we respect their wishes.”

(Asian Recorder: III(32): 1957: 1577)

17. Joint communique issued at the end of Mr. Jawaharlal Nehru's visit to Nepal, Kathmandu, June 14, 1959

ON the invitation of His Majesty the King of Nepal, the Prime Minister of India, Shri Jawaharlal Nehru, paid a three-day visit to Nepal. The Prime Minister conveyed to Their Majesties the greetings and good wishes of the people and the Government of India. Shri Nehru was impressed by His Majesty's solicitude for the welfare of his people and his desire to strengthen the friendly relations which already exist between Nepal and India.

2. The Prime Minister of India also had several friendly and informal talks with the Prime Minister of Nepal¹ and his colleagues in Government. In the course of these talks, a variety of subjects was discussed, including the present international situation and the recent developments in Tibet, and social and economic problems which are common to the two countries. There was an identity of views², the policies of the two countries, both in the international and domestic spheres, being animated by similar ideals and objectives. Both are convinced of the paramount necessity of world peace and the removal of the dangers of war, leading to progressive disarmament. The ample resources of the world could thus be diverted to the social and economic advancement of people all over the world and, more particularly, in the under-developed countries.

3. The Prime Ministers are further convinced that in the interests 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.

4. The Prime Ministers earnestly trust that the talks at present going on in Geneva will lead to some steps being taken towards the lessening of tension and a progressive solution of the problems that threaten peace. They are convinced that they can best serve the cause of world peace as well as their countries' interests by adhering to the policy of non-alignment with military groupings and by maintaining friendly relations with all countries. In particular, they aim at greater understanding and co-operation among the Asian countries.

5. Both Nepal and India are under-developed countries. India is at present half-way through her Second Five-Year Plan and has had longer experience in planned development. The Prime Minister of India assured the Prime Minister of Nepal of his readiness to share this experience with Nepal. The two Prime Ministers recognised that each country is the best judge of its own needs. The geographical contiguity of the two countries, however, makes it inevitable that certain developmental projects can be best planned and executed by the joint endeavours of the two countries. The Kosi Project is the first such endeavour in co-operative development on a big scale. A similar project on the river Gandak is expected to provide irrigation facilities and cheap power to large areas at present under-developed in Nepal and

¹ Mr. B. P. Koirala.

² Elucidating the phrase "identity of views" Mr. B. P. Koirala told a Press conference on June 20, in Kathmandu that it emphasized that there was no difference between the views of the two Governments on international and allied problems including Tibet. Mr. Nehru had earlier at his Press conference in Kathmandu on June 14, declared that "there is concurrence between India and Nepal in their approach to the Tibetan question."

India. The two Prime Ministers hope that an early beginning will be made with the execution of this important project.

6. The Prime Minister of India was deeply touched by the kindness and courtesy of His Majesty the King and his Government and by the demonstrations of popular affection wherever he went in Nepal. He is grateful for this welcome which is largely due to the close bonds that exist between the people of Nepal and the people of India. There is no conflict of interest between the two countries and they face similar problems and have common approaches. The two Prime Ministers are determined to work for the welfare and advancement of the people in their respective countries, and to co-operate to this end.

(Foreign Policy of India, Text of Documents: Lok Sabha Secretariat, New Delhi: 1966: 341-42)

18. Speech of Mr. Jawaharlal Nehru at a banquet, New Delhi, January 24, 1960 (Excerpts)

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DURING the last one year, the new turn Nepal has taken has been mostly due to you and your¹ colleagues. We were happy that you succeeded in that, and we congratulated you. When the relations are so close, any formal or superficial utterances seem out of place. These relations are too deep-rooted and when the roots go so deep, any happy event in our country has its effect on you and if you progress, we feel elated. If we are faced with a danger, it affects you also. If you are confronted with a threat, it affects us, and in a way, becomes our danger, just as our danger would become yours. Danger(s) sometimes external or whatever they might be, do appear sometimes. There are some fundamental things confronting us, the advancement of our country and of our people, we are greatly concerned about. The progress we have made in the last 10 years, you can see for yourself. As it always happens, we have made mistakes, but at least, our endeavour has always been that the country should progress, the sign of which is that people should progress. I think in the last 10 years, India has progressed considerably. It would have been better, if we could have progressed more. And now we have reached a stage where it requires even greater efforts so that we may forge ahead and what has been achieved is firmly consolidated.

You also are faced with almost similar things. There is, of course, a difference as there always is between countries. In some matters, your difficulties are greater, in others, we have greater difficulties. But the questions confronting us are in a way similar. Thus another relationship is established between us, that of solving our problems in co-operation with each other and by helping each other. From whatever point of view we may look at it, it appears that, as in the past, the future also of Nepal and India lies in co-operation with each other and moving ahead together. It is obvious that sometimes when two countries are faced with different problems, such problems have to be solved by them separately. It is the mark of a nation's freedom that it should take its own decisions and that nothing is done that would create difficulties in taking these decisions. But, as I have said,

¹ Prime Minister Shri B. P. Koirala.

history, culture and so many things have so moulded us together that the tie has become unbreakable. I do not think, that it can be broken or weakened at someone's will.

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(*Foreign Affairs Record* : VI(I) : January 1960 : 9-10)

19. Speeches of Mr. B. P. Koirala and Mr. Jawaharlal Nehru at a banquet, New Delhi, January 27, 1960

Nepalese Prime Minister, Shri B. P. Koirala:

I am indeed very happy to welcome Your Excellency and friends here to-night and I express my heartfelt thanks to you and my friends for having so kindly graced this happy occasion by your presence. I take this opportunity also to express my deep appreciation for the natural feelings of intimacy, love and affection so spontaneously expressed throughout my visit of India.

To me, India is not a new country nor is Delhi a far away city. I have spent quite a long time in India. The Indian War of Independence was a matter of supreme inspiration to the exploited and oppressed classes of all the countries of the world. The Father of the Indian nation, Mahatma Gandhi, had given the lofty ideal of independence and self-respect not only to the people of India but to all the youth of the entire Asian Continent. A large section of the Nepalese youth had given co-operation for the independence of India and I also had the opportunity of association with you all. The Independence of India is, therefore, as dear to me as to my Indian friends. For the cause of democracy in my motherland, Nepal, moral support and inspiration were also obtained from innumerable Indian friends. Hence this special relationship between our two countries of always marching together hand-in-hand for the noble cause of independence and self-dignity is both a historical and cultural reality. Our two countries have always manifested to the world the unique example of ever continuing cordial relations subsisting among sovereign and independent nations.

Today also, in the respective democratic systems of our two countries, our goal and methods of achieving economic development and social justice are not fundamentally different. By the course of history our conditions bear a similar aspect. Any attempt, therefore, to explain or interpret the intimate relationship between brothers or among friends is rather unnatural. Such matters are self-proving and obviously natural.

For the cause of sovereignty and independence in the past, the Nepalese and the Indian people have always advanced together. Now in this revolutionary task of creating a new society also, our two countries have got to assist each other. In consideration of the fact that we are lesser-developed nations, mutual goodwill, I am sure, will prove priceless in the development of our respective countries. Your Excellency has always been a great friend and well-wisher of Nepal. We greatly appreciate your highest regards and respect for our sovereignty and independence and we are convinced that your best wishes will always be there for the promotion of the dignity and respect of Nepal.

During my present visit to India, I have observed everywhere new activities and a unique spirit of construction. I have seen a new India coming up at a quick pace, and this remarkable progress has greatly impressed me. On behalf of His Majesty's Government, the people of Nepal and on my own I express our best wishes and god-speed to your noble and unique endeavour to establish a new India of peace and plenty.

Prime Minister of India, Shri Jawaharlal Nehru:

You have just heard from the Prime Minister of Nepal some references to the old and new contacts between India and Nepal. It has been our good fortune in India to have friendly relations with all countries. Even sometimes when difficulties have arisen, we have tried to maintain these friendly relations, and we have deliberately set before ourselves the policy of being friendly with other countries, even though we might differ from them. There is no other way I believe. At any rate, that is the policy, as you know, which we have adopted.

While that applies to all countries, I think I can say with some assurance and the great deal of truth that our relations with Nepal have been something rather special, not of my making or anybody's making, but because of history, tradition, geography, cultural contacts and the like, and therefore, inevitably it had to be that India and Nepal should be intensely interested in each other's present and future and should grow ever closer.

In the course of the last nine or ten years many changes have come to Nepal and India. Very soon after we attained our independence and before this new change had come over Nepal or the beginnings of the change, we were anxious to reassert our friendly relations with Nepal. The then Government of Nepal was of the old type. It was not our concern what Government another country has; that is, we may prefer something or not, but it is entirely that country's concern what methods, what Government it has. And even then, in those days, as most people will know, soon after our independence, we approached the Government of Nepal for a renewal, or renewed treaty of friendship, and that treaty was signed, I forget the exact date, about ten years or eleven years ago¹.

A little after that, a change came over Nepal, and the internal structure of Government underwent a considerable change. The process of change continued for some time, and in this case it took a big turn. I cannot say a final turn, but any how a major turn, a year or more ago when a new Constitution was adopted by Nepal and His Majesty the King of Nepal promoted a new Constitution and elections took place as a result of which the party represented by the Prime Minister obtained a great majority in their Parliament², and naturally the leader of that Party, that is the present Prime Minister of Nepal, took up this high office.

While, as I said, it was not for us to, shall I say, desire changes in another friendly country that is entirely the business of the people of that country, nevertheless, it is perfectly true that we welcome this change greatly, because we felt that it was the right thing for Nepal to develop on democratic lines and thereby come nearer to us in our general outlook. And so it has been that

¹ Treaty of Peace and Friendship, July, 1950 see page 32.

² Winning 74 of the 109 seats.

we have been close to each other broadly speaking in our broad internal outlooks and close to each other in our broad external outlooks. Whether from the national or international point of view, we have been very largely in agreement and without any effort on the part of either to influence or push the other country. By the very nature of circumstances, our past and present, our outlooks, we have largely marched in step in these national and international affairs. That itself shows how close our mutual interests are apart from our outlooks; and that is bound to be so in two neighbouring countries like India and Nepal. Therefore, that is an assurance about the future also.

So, whatever may happen in the future, good fortune or even ill-fortune sometimes we stand together and share both of them and in sharing them try to help each other to share the burden and join in celebrating the victories of our internal policies which bring a growing measure of welfare to our respective peoples.

It has been a very great pleasure for us to welcome an old friend and yet a young friend to India, whom we have known for many years in various capacities and now as the Prime Minister of this democratic Government of Nepal. While thanking him for all that he has said about our country and about me, I should like to assure him of our continuing earnest good wishes for his country and people and for him personally.

(Foreign Affairs Record: VI (1) : January 1960 : 11-13)

20. Joint communique issued towards the end of Mr. B. P. Koirala's visit to India, New Delhi, January 29, 1960

At the invitation of the Government of India, His Excellency Shri B. P. Koirala, Prime Minister of Nepal, accompanied by Shrimati Sushila Koirala, His Excellency Shri Surya Prasad Upadhyaya, Home Minister, and senior officials of His Majesty's Government of Nepal, have been visiting India from the 17th January and will go back to Kathmandu on the 31st January, 1960.

During their tour, they have visited industrial establishments and development projects, the National Defence Academy and many other places in India. They have also been present in Delhi on the occasion of the celebrations of the Tenth Anniversary of the Republic of India. They have been welcomed everywhere with popular enthusiasm reflecting the close friendship and neighbourly relations and the community of culture and outlook subsisting between Nepal and India.

The Prime Minister and the Home Minister of Nepal have had frank and cordial discussions with the Prime Minister and other Ministers of the Government of India. The discussions covered a wide range of subjects, including the present international situation as it affects the two countries, economic and other matters affording opportunities for co-operation between His Majesty's Government of Nepal and the Government of India.

These discussions have revealed afresh a similarity of approach to international problems by the two Governments and their desire to co-operate with each other in regard to them.

The two Governments attach great importance to the furtherance of peace in the world and are determined to work to this end. They trust that the efforts being now made by the Great Powers for the lessening of world tensions and a settlement of international conflicts through peaceful methods will lead to success. The two Prime Ministers recognised that Nepal and India have a vital interest in each other's freedom, integrity, security and progress and agreed that the two Governments should maintain close consultation in matters of common interest.

The Prime Minister of India assured the Prime Minister of Nepal of the Government of India's sympathetic interest in the plans of His Majesty's Government for the social and economic regeneration of Nepal by democratic means. The two Governments are already co-operating in schemes of economic development and they propose to continue and accelerate this co-operation.

At the request of His Majesty's Government, the Government of India have readily agreed to afford financial assistance for Nepal's development programme to the extent of Rs. 14 crores. The Government of India have also undertaken to construct the East Kosi (Chatra) Canal at a cost of Rs. 3 to 4 crores. Thus, the Government of India have expressed their readiness to assist the development programmes of Nepal to the extent of Rs. 18 crores. This amount includes Rs. 4 crores out of the previous grant, which is not likely to be spent during the first plan period. It was further agreed that adequate arrangements should be made in order to co-ordinate and expedite the execution of projects financed under these programmes.

Advantage was taken of the presence of the Prime Minister and the Home Minister of Nepal to have a broad discussion on the terms of a new treaty to replace the existing Treaty of Trade and Commerce. The two Governments agreed that the new treaty should provide for the separation of Nepal's foreign exchange account and the regulation by the Government of Nepal of their foreign trade. In view of the close connection between the economies of India and Nepal, the two Governments agreed to work out details which would facilitate the expansion of Nepal's trade with India and other countries and promote co-operation between India and Nepal in the field of economic development.

(Foreign Policy of India, Text of Documents : Lok Sabha Secretariat, New Delhi : 1966 : 343-44)

21. Press conference of Mr. B. P. Koirala, Chandigarh, January 31, 1960 (Excerpts)

ADDRESSING a news conference...before leaving for Kathmandu, Mr. Koirala said that he could never imagine a war between India and China and hoped that the border dispute between the two countries would be resolved soon.

He said he had based his hope on the fact that the international climate had changed for the better and tension was "declining rapidly". He did not envisage a joint defence between India and Nepal as military alliances were "worse than useless", especially between these two countries which

were such great friends. A joint defence between India and Nepal was absolutely unnecessary.

Asked what contribution Nepal would make for resolving the Sino-Indian border dispute, he said: "We do not want to do anything that will create any difficulties for our neighbours (China and India)."

Question: The recent joint communique had said that both India and Nepal were vitally interested in each other's freedom, integrity and security and would maintain close contact on matters of common interest. Will you kindly elucidate what contribution you propose to make in case of an attack on India from China?

Answer: You are thinking in terms of war, I can never imagine a war between India and China. There will be no war.

Question: The joint communique had said that there was a similarity of approach between India and Nepal to international problems and they desired to co-operate with each other in this respect. Could you explain this point?

Answer: We adhere to the policy of neutrality enunciated by Mr. Nehru. In the context of the Sino-Indian dispute, we are friendly to both the countries. We want an amicable settlement between the two.

Question: Has China been in touch with the Nepal Government through diplomatic channel sounding their view-point on the Sino-Indian dispute?

Answer: No.¹

Nepal's Home Minister, Mr. S. P. Upadhyaya, intervening, said: "China will not try to embarrass us."

Mr. Koirala said that the question of Asian countries sitting in a conference on the Sino-Indian dispute did not arise. "We believe that the question can be settled amicably between India and China and Mr. Nehru is quite competent to settle it."

He added: "It is in our own interest that this dispute should be settled amicably and through negotiations. It does not help if the area of dispute is enlarged and other nations get themselves involved and start sitting in judgment²."

Question: Don't you think that the maintenance of the integrity of the Himalayas is a matter of common concern between India and Nepal?

Mr. S. P. Upadhyaya, intervening, said: "Nobody is going to cultivate the Himalayas."

Asked if he had any information about the movement of Chinese troops on the other side of the Nepal border, Mr. Koirala said: "We do not know

¹ On October 18, 1959, Dr. Tulsi Giri, Nepal's Development Minister who was passing through Calcutta on his way back to Kathmandu from Peking after attending the 10th anniversary celebrations of the Chinese People's Republic said that the Chinese were willing for a settlement and his country (Nepal) was also willing to offer its good offices to help settle the dispute.

² On September 4, 1959, Mr. B. P. Koirala told the Nepalese House of Representatives that Nepal should not "take sides" or "get involved in any way" in the border dispute between India and China.

what is happening across the border. No incursion has taken place on the Nepal border.”

Answering a question about communist influence in Nepal, Mr. Koirala said that the communists had four representatives in Parliament. “Our approach to the communists is the same as that of Mr. Nehru’s Government in India. We will tolerate them so long as they adopt constitutional methods for propagating their ideology, but they will not be allowed to adopt violent methods.”

Question: Do you think that aggression against India has taken place?

Answer: I do not know. We, however, view with concern that our two big neighbours should fall out. There are differences between the two countries (India and China) about certain areas. But they are of a minor nature. Nepal does not apprehend any danger from China. We have no border dispute. But, we have some minor border differences dating back to 60 years. These will be resolved soon.”

(*Asian Recorder* : VI (7) : 1960 : 3158)

(ii) DISTURBED FRIENDSHIP

22. Statement of Mr. Jawaharlal Nehru in the Lok Sabha in response to an adjournment motion on the dismissal of the Nepalese Cabinet of Mr. B. P. Koirala by King Mahendra, New Delhi, December 16, 1960 (Excerpts)

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...SIR, obviously, it is not for me to criticise the actions taken there but, obviously, it is a matter for regret for all of us that a democratic experiment or practice that was going on has suffered a set-back. That is all I can say about it.

The Honourable Member asked if we had any previous intimation of this through our Embassy or otherwise. About this exact event happening yesterday we had no previous intimation, and the very fact, as some Honourable Members mentioned, that our Ambassador was not in the city at that time, shows that we had no intimation. If that is true, it is also true that for some months past we had repeated intimation that the King of Nepal was dissatisfied with things as they were and that he might take some action. What action he was going to take and when, we did not know, but this we certainly had been feeling for months past that something might happen there because of the dissatisfaction of the King with the Ministry.

Now, mention was made about General Thimayya¹. Of course, General Thimayya did not have any previous intimation either that this was going to happen. Some little time ago—a week or ten days ago—we were informed by the Nepal Government—I think the desire was that of the King—that they wanted to honour General Thimayya by a decoration as well as by appointing him an Honorary General in the Nepalese Army. In accordance with our usual practice we told them that we do not approve of decorations

¹ Chief of the Army Staff, India.

being given but that we had no objection to General Thimayya being made an Honorary General of the Nepalese Army as one of his predecessors General Cariappa was also there. That was the answer we gave. So General Thimayya went to get this Honorary Generalship. He was present on the occasion and I believe yesterday or two days ago this short ceremony took place and the King invested him with the Honorary Generalship. He stayed a day or two behind and he was rather unawares caught in these developments.

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(Lok Sabha Debates : XLIX(25) : December 16, 1960 : Cols. 5973-76)

23. Speech of Mr. Jawaharlal Nehru moving a motion on the international situation in the Rajya Sabha, New Delhi, December 20, 1960 (Excerpts)

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LASTLY, Sir, I would like to say a few words about a recent event which no doubt has exercised all our minds, that is, what has happened in Nepal. Anyhow, if such an event had happened in any part of the world it would be a matter of regret to us but happening in a country on our threshold, a country with which we have such intimate relations as with Nepal, it has been a matter of great concern to us. We have not at any time sought to interfere in Nepal in the last ten years or so since it gained its freedom from the old regime. We have helped them to the best of our ability. Even in the old days we had treaties with them which were renewed. It is not a question of any interference but we had close relationship and were consulting each other when there was any danger from abroad, and that represents the actual position both for them and for us. Apart from all these political and other aspects, our sympathies always go out to any country which is trying to gain freedom, as Nepal was ten years ago, or which wants to advance in the democratic way, and in regard to economic improvement we have been trying to help them to the best of our ability. We have got an Aid Mission there now¹. We helped them also in training their Army. We sent a Military Mission which did, I believe, a lot of very good work and which was much appreciated there. It has been reduced very greatly now. It is still there but the numbers are about a quarter or less of what they used to be before. We have built the big road connecting India with Kathmandu². So, our interest is inevitable.

When this news came to us, news of the Proclamation³ of the King, it was not in a sense a surprise. Nevertheless, it did come as a bit of a shock just at that time. I say it was not a surprise in the sense that we had been conscious of different pulls there and the possibility of something happening. The King and the Government were not working very harmoniously for months past, and yet, curiously enough, the latest reports as they came to us before this action of the King were that the Ministry and the King were working more harmoniously than before. I am not saying anything about

¹ According to the information given to Lok Sabha on August 16, 1961, India had spent about Rs. 11 crores in aid to Nepal. 1250 Nepalese had been trained in India in a variety of subjects and there were 137 Indian technical personnel helping in Nepal.

² Tribhuvan Rajpath.

³ Of 15th December dismissing the Koirala Ministry.

our Ambassador's report—I am not referring to that—but what I am saying is from what the King himself had in the course of conversation and by his behaviour led people to believe. That was the impression there but that was a temporary thing no doubt. Now, I have read—and the House must have read too—the Proclamation made by the King. The Proclamation refers to the failure of the Nepal Government and the Ministry to improve the administration and accuses them of corruption, crude economic theories and the rest. These are vague charges and it is difficult to say anything about a vague charge. Nobody can call any Government as ideal Government, more especially a Government in Nepal which has been fighting against very difficult conditions in the last ten years ever since various Governments came in. May I say that right from the first day ten years ago when there was an upheaval against the old Rana regime, the previous King made it clear that he was working for, and he wanted to establish, a democratic system of Government. Difficulties came in; Governments were formed and dismissed and all that and there were fairly big periods of King's rule without any other Government. Even then it was made clear that that was a preparation or an interval before going back to democracy and we were happy when the present King announced a constitution and later followed it up by elections. In the elections, the Nepali Congress Party got a very big majority¹ and they have functioned since then. It is not for me to judge of their functioning but it is fairly easy to find faults. They had a tremendous task and I believe, the impression we had generally was that for the first time Nepal had some ordered Government which was trying to do its best to improve things. Whether they succeeded much or not is another matter. I do not know what reasons lay behind what the King has said in his Proclamation because they are vague charges. There is reference, as I said, to crude economic theories. The only economic step that they were trying to take, so far as I know, was in regard to land. Land in Nepal in the past has been held by a very few people, and I believe that they have hardly paid any taxes on it. It was free there, *birta* land. This was an attempt to have a somewhat better, what I consider very moderate, land laws or a taxation system on land. I do not know if this was the case. They passed some kind of a Bill, not passed it; they proposed it or they passed it in the Parliament there but it has been for a long time past with the King awaiting his approval. It has not been passed regularly. I do not know whether this kind of economic advance was considered by the King as a crude method of dealing with these problems. Anyhow, the basic fact remains that this is not a question of pushing out a Government even though it has a big majority. This is a complete reversal of democracy, the democratic process, and it is not clear to me that there can be a going back to the democratic process in the foreseeable future. That is the main thing and naturally one views such a development with considerable regret.

One thing I may mention. Some people have criticised our Ambassador being away from Kathmandu that day. As a matter of fact, General Thimayya had been invited to go to Nepal. General Thimayya had been offered a decoration; we did not agree to this but we did agree to a second proposal that he might be made an Honorary General of the Nepalese Army. So, the decoration was not taken but he went there to accept this Honorary

¹ 74 of the 109 seats.

Generalship. He got there on the 8th December. On the 13th he was given this Honorary Generalship at a ceremony. On the 14th he was invited and our Ambassador was also invited by the Commander-in-Chief of Nepal for a *Shikar* in the foot-hills. They both went. The Commander-in-Chief did not accompany them because he fell ill. He had fever that evening; so he remained behind although these people went as his guests. This was on the 14th. On the 15th the King assumed full powers and issued this Proclamation and all that. That was on the very next day. And immediately our Ambassador and General Thimayya returned from where they were on the 16th morning. They were in a rather remote place and General Thimayya returned to India. Another interesting feature is that at this time when the King took this step most of the Ambassadors were not in Kathmandu. There are not too many Ambassadors there. There is the Soviet, there is the American, there is the British and all of them were away, gone a few days before, somebody on leave, somebody for some purpose or other. Now, the first step was this coup to arrest the Prime Minister and his colleagues. As a matter of fact the broadcast of Proclamation came some hours later.

(*Rajya Sabha Debates* : XXXI (17) : December 20, 1960 : Cols. 2707-10)

24. Speech of Mr. Jawaharlal Nehru on international situation at the annual session of the Indian National Congress, Bhavnagar (Gujrat), January 6, 1961 (Excerpts)

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REFERRING to the amendments put forward about Nepal¹, Shri Nehru said that it was not very becoming for the Congress to make any appeal to the authorities in Nepal. The relations between India and Nepal were inevitably close because of geography, culture and a host of other things. These did not in the slightest mean any question of subordination. During the past ten years or so, India had tried to help Nepal a great deal but had not interfered in her internal affairs. In view of the close relationship, Shri Nehru continued, it was but natural for the Congress to feel concerned about what happened in Nepal. It was because of this fact that he had spoken in Parliament expressing regret at the development which practically led to the suppression of democratic structure.

Continuing, Shri Nehru said that previously too the Governments in Nepal had been removed. But it left scope for another Government to come in or elections to take place. But what had been done at the present juncture went against the basic concept of democracy. Therefore, India felt concerned about this.

But at the same time India must be very cautious to see that any expression of views by any one should not lead to any interpretation that India wanted to interfere in the internal affairs of a neighbouring country.

Shri Nehru regretted that a virulent press campaign had started in Nepal against India. That was what India was getting in exchange for all the friendship and help it had given to Nepal during the past ten years. One would like to know if this campaign had the support of the authorities or not.

¹ The amendment moved by Shri Radhanandan Jha of Bihar referred to the overthrow of the elected Government of Nepal and urged the King of Nepal to "hold fresh elections in the country in order to have a democratic Government there."

However, he felt that it would not be at all beneficial or right for the Congress to pass a resolution about it or include the same as a part of the resolution.

(*Congress Bulletin* : New Delhi : December 1960-January 1961 : 64-65)

**25. Press conference of Mr. Jawaharlal Nehru, New Delhi, January 18, 1961
(Excerpts)**

Question: Could you tell us something about the relations with Nepal?

Prime Minister: Well, I do not want to discuss really our relations with Nepal at the present moment. Broadly speaking, our relations depend not really on any person's goodwill, on our goodwill, on Nepal's goodwill, on that Government or this Government. They do depend on these of course but not basically. They depend on geography and history, which cannot easily be done away with. There is geography and there is history, and there are many other things too, so that those relations may appear to be a little less cordial or more cordial from time to time, because of some speech or some action by a Government, but basically nobody can get round either geography or history which bring Nepal so close to India. As for recent developments there, I stated in Parliament, that on principles, we were sad at the serious setback that the democratic structure had experienced there. Because we do feel—it is not for us to lay down anything for Nepal and it is for the people of Nepal to decide—but we did feel that this was not a step in advance, but a step backward and that sometime or other, the step backward will have to be retraced. We are naturally interested in Nepal, we would be interested in any neighbour country, even more so in Nepal, and it has been a matter of great regret to us that a number of wholly unjustified and rather fantastic charges have been made against India by some of the newspapers there. Even the present Government of Nepal has had to disassociate itself from these newspaper attacks on us. In the course of the last thirteen or fourteen years, I should like anyone to examine our record in regard to Nepal. When the changeover took place in India, when India became independent, Nepal's independence was strictly limited by the previous British Government. They were internally independent certainly but in the real sense of the word, independence is not internal autonomy. It relates to relationship with other countries, and that was very strictly limited in those days. As soon as we came into power, we accepted immediately and without any debate or controversy the fullest independence, the real independence of Nepal. In the treaty that we had with the previous regime—please remember, not with the regime after the revolution in Nepal, but with the previous Rana regime—ten years back, mentioning in the treaty and in the letters that we exchanged then, certain special relationships between India and Nepal. We did not come in the way of their independence. Their independence was enlarged much more so and we were happy that it was so. They have got ambassadors in many countries now. Previously, ten years ago, they did not have any ambassador in any country except an Ambassador in London, as far as I know, and they had a kind of Consul-General in India.

A Correspondent : They had a British Resident in Kathmandu.

Prime Minister: You are right, they had a British Resident there, which is, of course different, from an Ambassador. In our treaty and letters attached to it all that was said was about our special relationship and that we should confer with each other in certain circumstances, defence, etc. That really indicated not so much a treaty obligation but the obligation of history, and fact of geography. It was that. It is there, whether you put it down in black and white or not. We have encouraged in every way Nepal playing its legitimate part in world affairs and given such aid as we are capable of. We have given more aid to Nepal than to any other country so far as I can for the moment remember.

(Press Information Bureau, Government of India)

26. Press interview of Dr. Tulsi Giri, Kathmandu, February 20, 1961 (Excerpts)

THE Foreign Minister, Dr. Tulsi Giri, said in an interview in Kathmandu...that the present Government of Nepal was in a position to be on more friendly terms with India than its predecessor.

The previous Government, he said, had certain ideological affiliations with some parties in India, but the present Government had no leanings towards any group. The present Government wanted to promote relations with India based on friendship of the people of the two countries.

He went on: "The last Government belonged to the Socialist bloc, or whatever it is and naturally had political affiliations with the Socialist bloc in India and elsewhere. In India, the Party in power is the Congress Party and so, in dealings between the two Governments, there was some inherent ideological difference.

"Now we have the King's rule and the Ministers are there in their individual capacities. So they are not guided by ideological differences or differences of view on a party level. Our political differences will not matter: what will matter is how the two Governments work for the betterment of the people. His Majesty's Government is not guided by political ideas.

"We want and we hope for better relations with India. First, there should be no misunderstanding. Basically, we also believe in democracy as the Government of India does. But, there might be certain differences of approach and method. After all, we too want democracy and believe in its values. We want to bring back democracy as quickly as possible and the King himself has promised it."

* * * * *

Aid for Development:

As regards greater Indo-Nepalese collaboration in the field of development, he said: "We definitely hope to discuss the Kamala project. We want the Government of India to give us more help and in a better way."

Asked to comment on what he meant by "a better way", he said: "By understanding our problems—that we want to get things done quickly. There has been a feeling that some of the programmes undertaken were not

carried out as expeditiously as was desirable. This might have been due to defects on our side, and the Government of India alone is not to be blamed for it. Now we think that if we, on our side, correct ourselves and gear our machinery, the Government of India will also be more active.

“The previous Government had prepared certain plans. There were some criticisms of delay on the part of India in taking up these projects. If we see that whatever difficulties the Indian Aid Mission experiences with our Administration are removed, we hope these projects will get through quickly.”

According to him, the plans thus delayed included “some aviation projects—aerodrome construction etc.”

There were criticisms that nothing had been done in the last three or four years. People thought that the Trisuli Project had been dormant for some time and roads had not been built. “Now the Road Transport Organisation is working hard, and we hope that when the road construction is complete and certain facilities which Nepal is expected to give are given, the project will be completed on time.”

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(*Asian Recorder* : VII(13) : 1961 : 3869-70)

27. Question in the Lok Sabha, New Delhi, March 27, 1961

Shri Shree Narayan Das [Congress]: Will the Prime Minister be pleased to state:

- (a) whether the attention of Government has been drawn to a news-item by U.N.I./A.P.A. publishing an interview given by King Mahendra of Nepal in the *Indian Nation* of Patna dated the 22nd March, 1961 under the head “Koirala had planned Nepal’s Merger” the trend of the statement being that Koirala wanted to merge Nepal into India¹; and
- (b) if so, whether anything has been done for preventing wrong impression being created in the mind of the public against India?

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): (a) Government have noticed an interview on this subject published in the ‘*Hindu*’ of the 23rd March.

(b) The statement reported to be made by King Mahendra of Nepal about an attempt to merge the Kingdom of Nepal with another country has no foundation so far as we are aware. In fact, no one connected with Nepal has ever made this suggestion to our knowledge. Even apart from this any such suggestion is without any basis².

Shri Shree Narayan Das: May I know whether any diplomatic approach has been made to have the matter clarified from the King?

¹ In discussing his assumption of personal power the King told a Correspondent of the Associated Press that Mr. Koirala had planned eventually to merge Nepal with a neighbouring State. The King did not specify the neighbouring State but added, however, that Mr. Koirala’s Nepali Congress Party was led by persons who grew up in India and had an Indian way of thinking.

² On March 26, Dr. Giri denied in Kathmandu the remarks attributed to the King by an American news agency.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): No occasion has arisen for that. This so-called statement or allegation is so baseless and it was not made on any official occasion. It was not necessary to make a special diplomatic approach to this effect.

Shri Shree Narayan Das: Is it a fact that while dismissing Premier Koirala the King is alleged to have said that he was more inclined towards China and now he says that he wants merger of Nepal with India?

Shri Jawaharlal Nehru: These are contradictions which the Honourable Member points out, and rightly. How am I to answer the contradictions of other people¹ ?

(*Lok Sabha Debates* : LII(30): March 27, 1961 : Cols. 7252-53)

28. Interview of Dr. Tulsi Giri over Radio Nepal, Kathmandu, September 24, 1961 (Excerpts)

APPEARING in a question-answer programme over Radio Nepal on September 24, the Foreign Minister, Dr. Tulsi Giri said that Nepal aspired for India's friendship, "which will be an example of relationship between a small and a big neighbour."²

He added that India and Nepal had intimate relations. "The right basis for them is respect for each other so that small Nepal has no apprehensions of any type and big India no ground for complaint that she is suspected without any justification".

On Nepal's relations with Pakistan, he said that King Mahendra's visit to Pakistan³ was not indicative of any weakening of Nepal's policy of non-alignment and that the people of Pakistan had a lot of goodwill for the Nepalese, despite different foreign policies and religions of the two countries.

He added: "Nepal can benefit from the experiences of Pakistan as from those of other countries in the pursuit of her desire to evolve a system suited to her traditions and genius."

Asked to explain Nepal's stand on the Kashmir issue, he said: "I have nothing to say. Our opinion has not been sought."

To a question whether he agreed with the statement made by Dr. K. I. Singh⁴ while he was Prime Minister that Kashmir belonged to India, he said:

¹ In 1959 during Mr. Nehru's visit to Nepal, Mr. S. P. Upadhyaya the then Home Minister had declared unequivocally at the platform of the Nepal Council of World Affairs and Asian Relations that: "when I hear some impetuous person anywhere flinging wild charges of expansionism against India—that great and ancient land—I wish my voice was clear and loud enough for all the world to hear that I believed with my whole heart that the charge was untrue."

² Earlier on April 30, 1961, Mr. Vishwa Bandhu Thapa, Minister for National Guidance during a speech at Birganj accused India of interfering in Nepal's internal affairs and said: "The time has now gone when a First Secretary of the Indian Embassy in Kathmandu could change the Cabinet in Nepal overnight." On May 3, Government controlled Radio Nepal broadcast a summary of this speech. The newspaper *Nepal* which had criticised Mr. Thapa for this speech was ordered to be closed by the Nepalese Government.

³ During May 1961.

⁴ p 43

“I have nothing to say.”

(*Asian Recorder* : VII (43) : 1961 : 4229)

29. Statement of King Mahendra to the representatives of the Nepal Sambad Samiti and the Sagarmatha Sambad Samiti, Kathmandu, February, 1962 (Excerpts)

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ON my way to Belgrade to take part in the Conference of the non-bloc countries, I had a frank talk with Indian Prime Minister, Mr. Nehru. I do not think that Mr. Nehru has not understood full well our present policy. And I am not prepared to believe that he can have any ill-will against Nepal. Although I cannot say that the anti-national elements¹, who are stationed in India and are taking undue advantage of the open-border system, enjoy the cent per cent support of the Indian Government, I notice a growing apprehension among the Nepalese that these anti-national elements themselves might jeopardise the traditional relations with India. For the people are aware of the numerous offensives mounted by these elements from the Indian border areas; of the military training being imparted to the so-called “volunteers” who make loud claims that they have the support of India; of the publicity being given to baseless reports in the name of freedom of press, of the open acts of loot, arson and murder committed by them and of their recent raids into our country and attempts to disturb the peaceful life of the Nepalese. I do not believe that India will fail to take timely cognizance of these facts because, apart from geographical proximity there are many traditions influencing the friendship of Nepal and India. Failure of India to do so may make it increasingly difficult for me to control or restrain the popular reaction in Nepal. To my mind, however, it does not seem that the higher circles of India lack appreciation of the policy pursued by Nepal.

It is not enough that we regard India as our friend, India also should have the same feelings towards us. I am certain that it is not otherwise. Let those who do not have in their hearts the good either of Nepal or India say or do what they like. We, on our part, must not be swayed by their irresponsible words and deeds.

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(*King Mahendra, Pages of history* : Series II : 89-90)

30. Interview granted by King Mahendra to the representative of the Hindustan Samachar, Kathmandu, February 7, 1962

HIS Majesty King Mahendra Beer Bikram Shah Dev in a special interview to the *Hindustan Samachar* said that “the relations between India and Nepal are not deteriorating.”

He emphasised the need of stopping the violent incidents at the earliest to avoid further increase in the anti-India feeling in Nepal.

¹ Nepali Congress leaders.

His Majesty said that the growth of anti-India feeling in the Capital and elsewhere in the country was the result of violent incidents in Nepal organised by hostile elements sitting in India. After the Janakpur incident¹, His Majesty added, it was getting difficult for him also to control the anti-India sentiments.

When the attention of His Majesty was drawn to the Radio announcement that the Government of India had sent instructions to States bordering Nepal to keep a strict vigil on the border to prevent possibility of smuggling of arms into Nepalese territory and that Subarna² and other Nepali Congress leaders, now in India, had been advised not to do anything against the law of the land, His Majesty welcomed and said that it might be "a silver-lining in the dark horizon and that might lead to better understanding between the two countries."

When His Majesty was asked to comment on the views expressed by Mr. Rishikesh Shaha, Finance Minister of Nepal, in New Delhi recently³ that neither Indian Government nor the Indian people had anything to do with the violent activities in Nepal and the speeches of Dr. Tulsi Giri, Nepal's Foreign Minister, alleging India's responsibility for these incidents, His Majesty said that Mr. Shaha was speaking in Delhi and used diplomatic language whereas Dr. Giri was stating facts. His Majesty added that facts remained facts after all⁴.

Asked about the possibility of inviting Subarna for talks, His Majesty said he had invited all Nepalis to come and extend their co-operation in the development of Nepal. To a further specific query, His Majesty said if Subarna continued to indulge in anti-Nepal activities, how could it be possible for him to invite him for talks. "I have to face the people also", His Majesty said.

Regarding the demand for extradition of persons like Subarna Shumshere and Bharat Shumshere, His Majesty said that there had been strong demand from the people for surrender of persons who had been guiding the violent activities from the Indian soil. "We have not demanded any extradition but we have requested the Government of India to surrender persons operating against Nepal from Indian soil", His Majesty said.

His Majesty reiterated that there was no idea of making any change in the present Council of Ministers who, His Majesty added, were functioning very smoothly.

When asked about the possibility of the communists getting into the National Guidance and its various organisations, His Majesty said that it was

¹ On January 22, attempt was made on the life of King Mahendra; and on January 23, Dr. Tulsi Giri, Nepalese Foreign Minister blamed "Indian inaction" for the assassination attempt on King Mahendra. Dr. Giri told newsmen that the attempt was further proof that anti-national elements with bases in India were creating trouble in Nepal. On January 24, a spokesman of the Indian Ministry of External Affairs characterized Dr. Giri's allegation as "irresponsible".

² Subarna Shumshere, former minister in Koirala Government.

³ December 21, 1961.

⁴ But on March 27, 1962 Mr. Shaha repeated at a Press conference in Kathmandu that the Government of India had nothing to do with the current anti-Nepalese acts of violence and said: "I am absolutely sure about that and I still stand by my earlier statement."

all the more necessary, therefore, to settle minor issues with India so that the communists were not able to take advantage of the present feeling of the people for their ulterior motives.

Regarding the report that His Majesty's Government did not inform India prior to signing Kathmandu-Lhasa Road Agreement, His Majesty said, it was not preplanned. It came in course of talks with Chinese leaders in Peking. It was His Majesty who made the request for the road agreement, which the Chinese leaders agreed to construct for Nepal, His Majesty said.

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In reply to a question whether His Majesty's Government was facing any difficulty in receiving aid from foreign countries, His Majesty said that there was no such difficulty and that Nepal had been receiving maximum financial assistance from the Government of India.

Questioned whether the people of the Tarai could be allowed the option to use Hindi as the medium of non-language subjects in high schools, keeping Nepali as a compulsory subject, His Majesty said it was the considered policy of the Government to introduce Nepali as the only medium in all the high schools but it would be done by stages.

(*King Mahendra, Pages of history : Series II : 81-85*)

31. Message of Mr. Jawaharlal Nehru to King Mahendra inviting him to visit India, New Delhi, March 6, 1962

I am grateful to Your Majesty for your kind message of felicitation on the result of the General Election which has been recently held here. This result puts a fresh seal of approval of the Indian people in the basic policies we have pursued thus far both in our domestic affairs and in foreign affairs. This policy in regard to foreign affairs is, as Your Majesty knows, one of non-alignment with Power blocs and friendship with all countries. It is our earnest endeavour to help in the cause of world peace.

In particular, it has been and continues to be our basic policy to have friendly and co-operative relations with the people and the Government of Nepal and to work together in the cause of peace.

I hope it will be possible for Your Majesty to pay an early visit to us so that we have an opportunity of exchanging views on matters of mutual interest.

(*Asian Recorder : VIII(14) : 1962 : 4506*)

32. Speech of Mr. Narapratap Thapa at the 18th annual session of the ECAFE, Tokyo, March 9, 1962 (Excerpts)

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MR. Chairman and fellow delegates, in the course of our deliberations here on the economic situation in Asia, we have been told about other factors which are either hindering or seriously affecting the economic development of some member nations of the region. When the great urgency and supreme necessity

of the region today is to work unceasingly for faster economic development, we find that friendly and peace-loving Laos is engaged in all out mobilization of her forces against rebels with disastrous effects on her national economy and economic development. In spite of her tremendous efforts to bring about greater economic development in the country, friendly Indonesia has to divert part of her available and extremely essential resources to eliminate the last remnants of colonialism from the soil of Indonesia.

In my own country today, we have to deal with the nuisance of the stray acts of violence stealthily perpetrated by a band of irresponsible and anti-national elements, unfortunately yet strangely working from territories adjoining our border, with the sole intention of disturbing and destroying our various projects and development works. Such alien-based artifice have, however, failed to fabricate any disorder in my country—but nevertheless, it is an irritant to our smooth economic development. We also read frequently reports about aggressive designs against the territories of the nations of the region and it is regrettable from the point of view of economic development that hard-earned and limited resources of countries should thus be used for security purposes in times of peace, when demands for essential economic development are so enormous.

Therefore, dedicated as this Commission is to work for the economic regeneration of the region it would be useful to study carefully and consider seriously these non-economic factors producing chain reactions and affecting the economic life and activities of the nations of the region so that such handicaps could be avoided or eliminated in time. Indifference to or exclusion of such objective factors in our study of the economic situation of the region, would only lead to multiplication of what today is perhaps the lone appeal of a nation dedicated to peace and friendship.

(*Nepal News* : 1(4) : March 11, 1962 : 6 and 8)

33. Question in the Lok Sabha, New Delhi, March 13, 1962

Shri D. C. Sharma [Congress]: Will the Prime Minister be pleased to state:

- (a) whether it is a fact that demonstrations before the Indian Embassy in Nepal took place on India's Republic Day and a protest note was handed over by our Ambassador in Kathmandu to the Nepal Government; and
- (b) if so, the nature of reply received?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon):

(a) Yes, Sir.

(b) The Government of Nepal in their reply stated that the demonstration was not officially sponsored, that its purpose was to present a memorandum to the Ambassador and that the demonstrators did not shout anti-Indian slogans¹.

Shri D. C. Sharma: May I know what kind of memorandum the demonstrators wanted to present to our Ambassador?

¹ Among the slogans raised by the demonstrators was "death to Nehru".

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): I can only reply to it from memory, because I have not got the memorandum before me, and this happened sometime ago. But it was generally charging the Government of India with giving shelter to Nepalese who had come to India and encouraging them in carrying on activities against the present regime in Nepal, and calling upon us not to do so. As far as I remember, that was the main purport of that memorandum¹.

Of course, our policy in regard to this matter has been to prevent any arms being sent across our border or India being made the base for such activities. But all constitutional freedom will be given, subject to our laws, to people who come here to express their opinions. The House will remember that the Nepal-India frontier is an open frontier. It has been an open frontier and it is so. We have check-posts here and there—quite a large number of them—to control any possible arms trade, and that has been successful. Nevertheless, people can come and go from a hundred places; it is difficult to stop them from crossing over. According to our information, there has been very little of anything in the shape of arms going across. But nobody can guarantee an odd person not taking some guns or something of that kind. But there is very little of it. Most of the trouble in Nepal has been caused locally.

Dr. Govind Das [Congress]: In view of the deterioration of relations with Nepal, has the Prime Minister invited the King of Nepal to visit India and if so, when will he come and will such matters be discussed with him? [*Unofficial translation*]

Shri Jawaharlal Nehru: In the beginning, I received the information that the Government of Nepal has enquired when he² could possibly come here, i.e. the enquiry emanated from the Nepalese side. I replied that he is welcome. When he comes, we will meet gladly and discuss the relations between Nepal and India. No date has yet been fixed in this regard. [*Unofficial translation*]

Shri Nath Pai [Praja Socialist Party]: Apart from this demonstration, is it a fact that of late there has been some misguided anti-Indian propaganda, whether officially sponsored or encouraged or not, in Nepal? May I also know whether there has been a slight straining of the relations between the two countries as indicated by the misguided propaganda? If so, what steps do the Government of India have in mind to restore them on the old, friendlier basis?

Shri Jawaharlal Nehru: It is true that there has been a good deal of press propaganda in Nepal which might be called anti-Indian. I do not know what the Honourable Member expects me to do. We do not want this mutual recrimination etc.—either from India or from Nepal. For the rest, we have found many of the charges made in the Nepalese press on inquiry to be

¹ The memorandum demanded immediate extradition from India of General Subarna Shamshere, M/s Shashi Shumshere, Bharat Shumshere and Bhadrakali Misra, as they were allegedly the persons primarily responsible for engineering the attempt on the King's life. It added that they were being allowed to work freely from Indian soil. The memorandum added: "We are sensitive about our independence and sovereignty. We believe that others will be equally sensitive. We have not allowed anti-Indian activity from our soil and we have not interfered in the internal affairs of other countries".

² the King of Nepal.

completely without foundation. The charges are that people are going from India and attacking their police posts and others. To our knowledge, this has not happened. Some local thing has happened in Nepal, the prevention of which we cannot, obviously, guarantee, nor can we have much information about it.

Shri Hem Barua [Praja Socialist Party]: May I know whether the attention of Government has been drawn to an allegation made by Nepal to the effect that arms and ammunition captured from Nepalese rebels bear the hallmark of Indian ordnance factories? If so, have Government refuted this allegation or examined the veracity of it?

Shri Jawaharlal Nehru: There was some such allegation in one place, and I believe we have refuted it or required some further evidence of it. It is difficult to prove it unless we have some evidence.

Shri Nath Pai: A body of foreign correspondents was invited by the Foreign Ministry of Nepal and shown what the Nepalese Government claimed to be ammunition manufactured in Kirkee (Poona). May I know whether Government have any information about that and if so, what it is?

Shri Jawaharlal Nehru: I have no present knowledge of this, a body of correspondents going there and being shown something. It is possible; it depends on the quantity; somebody may have a little of it.

Shri Sadhan Gupta [Communist Party of India]: Have we any information as to whether the demonstration was spontaneous or was organised by definite elements? If it is the latter, by whom was it organised?

Mr. Speaker: All demonstrations are organised¹.

Shri Jawaharlal Nehru: Honourable Members themselves can draw their own inference from the state of conditions in Nepal. I presume there is a strong Government there without whose permission little is done.

Shri Hem Barua: Is it not a fact that the Nepalese Army uses some arms and ammunition supplied to them by India? May I know whether this cannot be a fact that these arms and ammunition that were demonstrated to the foreign correspondents at Kathmandu might be the arms and ammunition supplied to the Nepalese Army by us?

Shri Jawaharlal Nehru: It may perhaps be so. We sometimes supply them these things. As a matter of fact, to the best of our information, the arms and ammunition that the rebel forces—or rebels—in Nepal have been captured from their own police posts.

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(Lok Sabha Debates : LXI(2) : March 13, 1962 : Cols. 61-64)

34. Question in the Rajya Sabha on anti-Indian campaign in Nepal, New Delhi, March 14, 1962

Shri Faridul Haq Ansari [Praja Socialist Party]: Will the Prime Minister be pleased to state whether it is a fact that the Foreign Minister of Nepal and

¹ The demonstration was said to have been organized by municipal bodies and Mohalla Defence Committees. It was staged despite an official ban on demonstrations and slogan-mongering.

the Nepalese press have for some time been carrying on anti-Indian and anti-“Nehru” campaign¹?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): There has been no campaign as such. Certain statements reported in the Press to have been made by the Foreign Minister of Nepal and some comments in the Nepalese Press were objectionable and we had lodged a protest². The Government of Nepal have denied that any responsible Minister had levelled any accusations against the Government of India or their Prime Minister.

Shri Faridul Haq Ansari: May I know whether the Honourable Minister has read a report in the *Times of India* dated the 13th March, 1962 about the ECAFE meeting in Tokyo³ in which it is stated that the Nepalese Ambassador here in India made serious allegations, the same kind of allegations as the Foreign Minister of Nepal made about India giving shelter to the rebels and sending people from here to attack Nepal?

Shrimati Lakshmi Menon: We have seen these reports, and we have also refuted these allegations as unfounded.

Shri P. N. Rajabhoj [Congress]: Is it also a fact that even at international conferences this anti-India propaganda is being carried out? [*Unofficial translation*]

Shri Jawaharlal Nehru: Yes Sir; seeing this, you may arrive at your own conclusion. [*Unofficial translation*]

Shri N. Sri Rama Reddy [Congress]: Whatever be the denial of the Nepalese Government in this behalf, it is certainly a fact that there has been a lot of anti-Indian feelings in Nepal. We have also come to know that His Majesty the King of Nepal is visiting India for talks in this connection. I want to know if the Prime Minister has invited the King of Nepal for talks in this connection, and if so, when the King of Nepal is visiting India?

Shri Jawaharlal Nehru: It is true that I have invited the King of Nepal, and no date has been fixed about his visit. Yet I cannot say when he will be coming here. I can hardly enter into the larger question of the feelings in Nepal and in India on these questions.

Shri Faridul Haq Ansari: Is it a fact that the Nepalese Government has made allegations that arms and ammunition captured from Nepalese rebels bore the hall-mark of the Indian Ordnance Factories, and may I know whether the Indian Government has checked these things?

Shri Jawaharlal Nehru: I saw that statement, and I am not quite sure whether this matter has been checked up. It can be checked up but it is very difficult. We have asked the Nepalese Government for greater particulars. Merely saying that does not help. But I believe that the arms, etc. of the Nepalese rebels have been obtained by them from the police and

¹ Dr. Tulsi Giri, according to reports, had accused India of political trickery; used undignified language towards Mr. Nehru; and said India was using double standards in its attitude towards Nepal.

² The Indian note of January 30, 1962 expressed regret that such language should be used by a person occupying the position of Foreign Minister in a neighbouring country.

³ p. 61

military check-posts of the Nepalese Government who may well have received these from us.

(*Rajya Sabha Debates* : XXXVII (2) : March 14, 1962 : Cols. 198-99)

35. Speech of Mr. Jawaharlal Nehru replying to the debate on the motion of thanks to the President in the Rajya Sabha, New Delhi, March 15, 1962 (Excerpts)

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THERE is Nepal. We have been much distressed lately about the charges made by Nepalese papers and Nepalese Ministers against India. We have, as a matter of fact, gone a good long way not to interfere in any way in Nepal. We have continued our help to Nepal—our economic help, etc.—fully, as we used to. But the fact remains that there is discontent in Nepal—I cannot say what measure it is. The fact that it should be so is not surprising having regard to what has happened there, and that discontent has given rise to internal trouble in Nepal—again I cannot say in what measure that is. Now to accuse us of fomenting that trouble is really, it seems to me, very extraordinary. We have said clearly, right from the beginning, that we are not going to interfere, that we will not allow any arms traffic between India and Nepal—any arms to be taken in—that we will not allow India to be made a base for any kind of armed attack, but subject to all that, the people, that is the Nepalese in India, can function, under the law, under our Constitution, as they like. But if they offend against the law, we shall take steps against them. It is a little difficult for other countries, which have not got the rule of law, to understand this, just like the Chinese who seem to imagine that we can issue orders to all our newspapers to do this or that—which is ridiculous—because they can do so. So, the Nepalese Ministers seem to imagine that we can spirit away, we can arrest anybody, pass orders against him, whether we have any factual proof or not. So, we have written to the Nepalese Government that if they send us any proof of any incident, we can catch hold of the person, we will take action. But they have not sent us anything except vague allegations which, on enquiry, we find to be baseless or grossly exaggerated. Here also the original idea came from the Nepalese Government that the King of Nepal might come here. I welcomed that; I was glad of that and I issued an invitation to him to come. But I have not had a definite reply except vaguely stating that he would like to come—he did not know when. And if he comes, we shall be glad to have talks, because we attach importance to our relations with Nepal being good. We as individuals or as a Government, as both, would like Nepal to progress, and to progress well according to the way that they think best. But we are not going to interfere—it is for the Nepalese to do what they like.

(*Rajya Sabha Debates* : XXXVII (3) : March 15, 1962 : Cols. 382-83)

36. Statement¹ of Mrs. Lakshmi Menon in Lok Sabha, New Delhi, March 16, 1962

THE Foreign Minister of Nepal was reported during the month of January

¹ The statement was made in response to a Call Attention Notice of Shri P. G. Deb (Ganatantra Parishad of Orissa) to the statements of the Foreign Minister of Nepal alleging that the anti-Nepal Government activities by Nepali Congress in Nepal were being directed from within India by certain former Nepalese Government Ministers.

1962 to have made several statements alleging that armed raids on Nepalese territory were organised and carried out by Nepalese from Indian territory. His allegations were investigated and found to be without any foundation. No armed Nepalese organisation exists in India, and no hostile expeditions have entered Nepal from India. Nor has Indian territory been used to train and organise squads of armed Nepalese for the purpose of carrying out subversive activities in Nepal. Every allegation made so far was investigated and no evidence in support has come to light.

The Government of India have therefore refuted the allegations and repudiated any suggestion of Indian interference in Nepal. Furthermore, they have drawn the attention of the Government of Nepal to the nature of the terrain and the many openings on the border, and also the fact that the movement of Nepalese across it is unrestricted. Even so, the Indian border authorities have been instructed to take all possible precautions to prevent the transit of armed persons, arms, ammunition, explosives and other prohibited articles into Nepal. The Government of India are satisfied that the police are doing their best to carry out these instructions scrupulously.

The Government of India have assured the Government of Nepal that Nepalese in India found violating Indian laws would be dealt with according to those laws and that strict vigilance on the border will continue to be exercised with a view to preventing the smuggling of arms, ammunition, etc. into Nepal.

(Lok Sabha Debates : LXI (5) : March 16, 1962 : Cols. 689-90)

37. Statement issued by the Nepalese Royal Palace, Kathmandu, March 28, 1962

ON the invitation of Mr. Nehru, the Prime Minister of our friendly country, India, His Majesty the King will proceed to New Delhi on April 18 for talks on matters of mutual interest. His Majesty is of the opinion that the meeting will prove beneficial to our country. It has always been the policy of His Majesty's Government to solve common problems involving all friendly countries through mutual consultations.

The tireless efforts made by His Majesty's Government and the Nepalese to prevent the slightest deterioration in the friendly relations between Nepal and India since time immemorial are well known. We believe that the Government of India also entertains similar feelings of goodwill towards Nepal.

However, for some time armed anti-national elements, making India as their base and bent upon causing every possible harassment to the patriotic Nepalese people, have entered our country and indulged in loot, arson and murder and then gone back to India.

The fact that these elements are actuated by the definite purpose of hampering our development works and undermining the traditional relations of friendship between Nepal and India has been made clear by their activities, including the vicious propaganda they have launched from Indian soil.

Notwithstanding the correspondence containing references to facts carried on by His Majesty's Government with the Government of India from time to time, these lawless elements have continued the vicious practice of perpetrating acts of damage and destruction in our country by openly sending armed bands of mischief-makers.

Mr. Nehru has repeatedly clarified the Indian Government's policy of not allowing any anti-Nepal activity from Indian territory.

As it has now become necessary to do adequate thinking on the reasons for the continued activities of these undesirable elements in spite of the policy of the Government of India and as His Majesty believes that the proposed meeting will be helpful in reaching a quick decision favourable to the interests of both countries, His Majesty has decided to accept Mr. Nehru's invitation and leave for New Delhi for a few days on April 18.

(*Asian Recorder* : VIII (20) : 1962 : 4578)

38. Speech of King Mahendra addressing the Panchas elected from the Kathmandu Valley, Kathmandu, April 13, 1962 (Excerpts)

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ON April 18 next, I am going to Delhi, the capital of friendly country India, upon the invitation of the Government of India. The relations between Nepal and India have always been friendly. The Panchayat system now budding forth in our country bears the seal and signature of the Nepalese race but it does not contain anything alien to the genius of the Indian race. We have taken to this system solely because it has given us the most reliable assurance of our best interests. The question as to who else likes or dislikes, it is not of importance. The system calculated to advance the real and lasting interest of the Nepalese people is the best system for the Nepalese people. Indians are our friends and it is necessary that an atmosphere of trust should subsist between friends. Mere fault-finding does not solve problems, it only gives them a longer lease of life. It is essential that our friends grasp the truth that, whole-heartedly engaged in works of construction, the Nepalese people are desirous of advancing peacefully on the path of development. The Nepalese people's love for their nation must not be a cause for any neighbouring people's suspicion inasmuch as we Nepalese ever desire our own and everybody's well-being and never entertain any desire for anybody's ill-being. We have to solve a thousand and one problems of our own, which keeps us so preoccupied that we have no time to entertain even a single thought of others' ill-being. All the same, when and if our country is faced with danger, we have never been known to yield or relax, and never will. Also, it would be a matter of shame for us to be indifferent to *lacs* of Nepalese continuing to serve as livery servants to foreigners in alien lands. If anybody reads his or her ill-being in this spirit and this understanding of the Nepalese people, it will put too much strain on the forbearance of the Nepalese people. This, if anything, is certain and I feel fully justified in believing that every patriotic Nepalese agrees with me in this in every particular.

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(*King Mahendra, Pages of history* : Series II : 126-28)

39. Official document issued by His Majesty's Government of Nepal on the eve of King Mahendra's visit to India in April 1962 (Excerpts)

WITH the recent outbreak of organized violent activities directed against Nepal by some Nepalese nationals from the soil of India, who might be termed as anti-national elements of Nepal, the Indo-Nepal relations have entered into a new phase. There is no doubt that Nepal and India have been on most intimate and friendly terms from time immemorial except for a brief period during the early British rule of India when Nepal had to face and resist an armed attack by the Imperialists from the Indian soil. Today India is no more under the British yoke and it is presumed she realises by experience the value of independent existence of nations as also the necessity of peaceful co-existence with nations having different systems of government. Hence Nepal, an independent sovereign State and a friendly neighbour of India, is and has been engaged in her peaceful nation-wide efforts of development devoting all her energy and resources to that end without any apprehension of danger from the soil of her neighbour.

But it seems the time has come when the old friendship between the two countries is going to be tested on the touchstone of hard realities of present-day international politics.

Nepal has discarded parliamentary form of government as unsuited to her national genius and environments and is now in the process of establishing *Panchayat* democracy. For the time being His Majesty the King is ruling the country under the emergency provisions of the Constitution of the Kingdom of Nepal. This constitutional position is well-known to all friendly countries including India.

In this set-up and under these circumstances if these anti-national elements of Nepal out of their selfish motive make defamatory statements in India against His Majesty the King of Nepal and openly organise and resort to violent activities at various points on the Indo-Nepal border committing murder, dacoity, arson and the like on the territory of Nepal and if they after escaping to India enjoy unrestricted freedom to make preparations for and indulge in further such activities and if the Government of India knowingly choose to play the role of a passive spectator in this respect, the Indo-Nepal relations are bound to deteriorate in spite of the wishes of His Majesty's Government of Nepal to the contrary. A study of the relevant Indian laws reveals that the Government of India or the Government of the concerned State of India as the case may be are fully empowered and quite competent to deal with this situation.

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If for some reason or the other the Government of India do not think it advisable even in the face of strong and sufficient evidence available to them to launch criminal prosecution against these anti-national elements of Nepal the Government of India can at least take preventive measures by imposing reasonable restrictions on their activities.

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This problem may also be viewed from the angle of recognised principles of International Law. India and Nepal as members of international community have certain rights and obligations pertaining to such status in their international conduct. Both may grant asylum to nationals of either

country or for the matter of that of any foreign country who seek it on political grounds. Generally there would be no extradition in such cases though serious difficulties might arise concerning the conception of 'political crime'. Upto the present day all attempts to formulate a satisfactory conception of the term by eminent writers on the subject have failed, and the reason of the thing will, probably, for ever exclude the possibility of finding a satisfactory definition. This principle of non-extradition of political criminals has, however, found its place in the Treaty of Extradition between India and Nepal signed on October 2, 1953 whose article 5 is worded thus:

“Article 5: Neither Government shall be bound to surrender any person if the offence in respect of which the surrender is demanded be of a political character, or if he proves that the requisition for his surrender has in fact been made with a view to trying or punishing him for an offence of a political character.”

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Therefore it is high time that the Government of India...empowered by their Municipal Law as well as backed by modern International Law demonstrate to the whole world by their unity of purpose and action that they have nothing to do with these anti-national elements of Nepal and that they keep the old ties of friendship with Nepal unimpaired and intact.

(Gyawali, S. P., Attorney General for Nepal: Friendship on Trial: Ministry of National Guidance, H. M. G. : n.d. 24 pages)

40. Statement of King Mahendra on arrival at Palam airport, New Delhi, April 18, 1962

I welcome this opportunity to be here at the invitation of India and convey hearty greetings to the Government and people of India on behalf of the Government and people of Nepal.

Having full faith and belief in the Charter and Principles of the United Nations Organisation as well as in the Five Principles of Peaceful Co-existence or Panchasheela, Nepal entertains feelings of peace and friendship towards all friendly countries. The Government and people of Nepal are of the confirmed opinion that if all nations demonstrate their faith and belief in these principles both by profession and by practice, there will be no possibility of any mentionable misunderstanding of any kind between nations. This is why the Kingdom of Nepal is always committed to following the policy of peace and friendship towards all friendly countries including India.

In the course of the forthcoming meetings with the leaders of India, it is our intention to have a candid exchange of ideas on matters of mutual interest with a view to strengthening further the friendship subsisting between our two countries since times immemorial. It is because we firmly believe that friendship is not a one-sided affair and friendly exchange of views is the best way to dispel imaginary or prospective misunderstandings between friends that we keep ourselves ever ready for heart-to-heart talks with all friends for removing mutual misunderstanding as well as for strengthening mutual friendship.

I hope that, both our peoples and governments being animated by the same objective and our cultural and religious traditions being similar, this meeting with the leaders of India, a believer in the Charter and Principles of the United Nations Organisation as well as in the Five Principles of Peaceful Co-existence or Panchasheela, will be productive of good results.

Our cordial thanks are due to Your Excellency the President, Your Excellency Prime Minister Mr. Nehru and the people of India for the invitation and the reception accorded to us.

(King Mahendra, Pages of history : Series II : 132-34)

41. Speeches of Dr. Rajendra Prasad and King Mahendra at a banquet, New Delhi, April 18, 1962

Dr. Rajendra Prasad's speech:

It is a matter of great pleasure and privilege to me to welcome in our midst tonight Their Majesties the King and Queen of Nepal, Her Royal Highness the Princess and members of the Royal delegation to India. The visit of the King of Nepal to India is, as always, of special significance to us. He is not merely the sovereign of a neighbouring State; he is also the ruling Head of a country which has age-old ties of friendly relations with India. As I said this afternoon, bonds of geography, history, culture and tradition have gone irrevocably to knit the two peoples together.

Both in political and economic spheres India and Nepal have common aims and ideals. The policy of the Government of India is to maintain friendly relations with all countries, and to pursue a policy of non-alignment with Power blocs. We have no doubt that the policy of the Government of Nepal is similar. Economically we share the common objective of building a social structure in which the ordinary man gets a fair deal and the welfare of the people is fully assured.

In this changing world, social and economic development programmes may require modification of old traditional ways of life and call for adjustments. We feel that mutual co-operation and goodwill will help us to achieve our respective economic and social objectives quickly and without undue strains and stresses.

We consider it of utmost importance, in mutual interest, that existing friendliness between our two countries should not only continue but that it should be placed on a secure and lasting basis, and we hope that the talks between His Majesty and our Prime Minister will lead to this desired result. It is only through frank exchanges of views that nations and peoples can come closer and mutual misunderstandings, if any, can be removed. On behalf of the Government of India, I would like to say that we have not the slightest wish to interfere in the internal affairs of Nepal. We attach great importance to the maintenance of close and cordial relations with the Government and the people of Nepal. It is our wish that Nepal should progress according to its own genius and traditions.

If nations today have come closer than they were ever before, it is also true that the concept of international relationship has undergone certain

changes tending to make it an elaborate, if complicated, affair. At times nations may be faced with minor difficulties and irritants in their relations. In the very nature of things these are temporary difficulties. Any such difficulties between Nepal and India cannot possibly be different. They can be attributed only to the great social and economic changes taking place in both of our countries. These difficulties should not be allowed to make us oblivious of the fact that our common basic interests are identical and that the security, independence, and territorial integrity of each is of vital interest to the other.

(*Foreign Affairs Record* : VIII(4) : April 1962 : 96)

King Mahendra's speech:

We are very happy to get this opportunity to convey to the people and Government of India as well as to all the friends assembled here cordial greetings on behalf of the Kingdom of Nepal.

Our relations with India are not of recent origin, our relations with India are not just formal relations between the two sovereign nations. Our relations with India are historic. It is the common duty of both Nepal and India to advance them still further. Hence, it is but natural that the statements, propaganda and activities indulged in by certain irresponsible elements, designed as they are to promote their own narrow self-interests at the cost of the friendship long subsisting between the two countries, should inject alertness and vigilance into all those who are interested in maintaining the friendly relations between the two countries on a permanent basis.

Today, when the Kingdom of Nepal is taking strides along the path of progress in response to the demand of the times through the medium of the system of Panchayat democracy conceived, advised and decided upon by the Popular Will in accordance with the genius and traditions of our country, she looks forward to appropriate co-operation from all co-operative, friendly countries. The Kingdom of Nepal would also like to request all friendly nations not to give expression to comments on Nepalese affairs in an unfriendly tone and language without properly understanding them. Especially from countries that believe in the equal rights and respectability of all nations, big and small, and that have the honour of being the propounders and champions of the Charter of the United Nations Organisation and its principles as well as of the fundamental principles of Panchasheela and Peaceful Co-existence, it is not unnatural to hope for such friendly, co-operative demeanour.

As is in every way becoming to neighbouring friendly nations with similar cultural and religious traditions, India and Nepal are animated by one and the same objective and guided by common principles and the governments and people of both have not failed to render help and co-operation to each other from time to time. We are, therefore, confident that the prospective or imaginary wedge, sought to be driven by some elements, lacking in understanding and a sense of responsibility, between the two countries can be easily dislodged by means of mutually affectionate, sympathetic and open-hearted conversations. Let us all make a habit of being blind to one another's shortcomings and kind to one another's excellences because this is the key to the

realisation of international peace and co-operation.

(*King Mahendra, Pages of history : Series II : 135-37*)

42. Speech of King Mahendra in the Indian Council of World Affairs, New Delhi, April 20, 1962 (Excerpts)

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THE one single factor that is permanent in Indo-Nepal relations is the factor of geographical contiguity and cultural oneness. The geo-cultural unity of India and Nepal has found concrete shape in the close socio-economic contact of the two countries. This alone explains the long and continuous friendly relations subsisting between the two countries from ancient days, from the days of Sita and from those of Buddha.

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My country has always pledged support to India's and other peace-loving anti-colonial powers' determined effort to eliminate colonialism from the earth. We have welcomed the liberation of Goa from the Portuguese control. The recent Evian Agreement on Algeria has won the support of all the countries of the world which put their faith in the peaceful settlement to disputes by means enumerated in the Charter of the United Nations, *viz.*, negotiation, enquiry, mediation, conciliation, arbitration and other peaceful means. The policy of neutralism is not based on any ulterior conception. Its philosophy, on the contrary, provides a valuable link between the two opposing ideologies. We are definitely committed to preserve decency in dealings between the colonial and subject peoples, between the two Power blocs, and I, for one, am one with your leader, Shri Nehru when he says, "Where freedom is menaced, or justice threatened, we cannot and shall not be neutral."

But political independence alone is not enough. By winning freedom from domestic or foreign bondage we have only crossed half the way towards our goal. The rest of the way is more difficult and demands more sacrifice. The process of freedom from subjection which began with the beginning of the present century, owing to various factors, social and cultural, political and economic, national and international and reached its high water-mark in the post-Second Great War period, has still to culminate in a continued process of all-round development of mind and matter. Today almost all the Asian and African countries are independent, but their problems are far from over. They are all faced with multifarious, political and socio-economic issues the solution of which is likely to modify to a great extent the future course of history not only of one or two continents but of the whole human race.

The problems which confront the new liberated nations vary from one country to another, but there are some fundamental and basic problems which are common to all, *viz.*, illiteracy, poverty and political immaturity. Democracy, though no doubt the best form of Government, is also the most difficult, because people can rule themselves only when they are enlightened and financially content and have a tradition of free institutions. That is what the Orient lacks today and that is why most of the countries who have as the supreme objective the democratic pattern of life run into trouble time and

again. Blind imitation of the West cannot solve the problems. Imitated experiment in many Afro-Asian countries is not functioning comfortably and efficiently, and the number of critics is growing rapidly. It is as such understandable that many countries of the East, instead of blindly following the West, should have evolved their own pattern of Government and life suitable to the local soil and traditions. Though most of them are not in the Communist sector and the ultimate goal remains democracy, their patterns of Government vary from the parliamentary democracy to democracy through a period of transitional state guidance. The combination of freedom, liberty and equality with education, financial independence and multi-purpose welfare of the people is the dominant problem of the Afro-Asian countries today.

Since the inception of democracy in 1951 Nepal experimented with the parliamentary type of Government. But its obstacles, which I need not reiterate here, came in the way of its working successfully, and it had of necessity to be abandoned in December 1960. During the decade people became well aware of the futility of the experiment with the imported system of Government and pattern of life, and with bitterness learnt the inevitable lesson of building a new society suited to their own genius in the context of the changing world. Liberty and equality as ultimate ideals could not be achieved without favourable circumstances, without institutions which assure social welfare, without citizens and voters trained to defer legal forms above personal vengeance, without a reasonable standard of living and without economic conditions, more or less stable. I have, therefore, set out to realize the above prerequisites of a thoroughly successful democratic pattern of life and Government by means of the Panchayat Democratic system, which has been proved by trial and error to be best suited to the genius and tradition of Nepal.

By the grace of God, with the goodwill of my people, and with the assistance of friendly nations like India, I hope, I shall not fail in my effort. As a historian has so aptly remarked, the East has been telescoping five centuries of history into one, meeting concurrently movements which the West had experienced consecutively. The Reformation and the Renaissance of the 15th and 16th centuries, the Scientific Revolution of the 17th century, the French Revolution of the 18th and the Industrial Revolution of the 19th have all been hitting the East with swift cumulative effect during the span of the twentieth century. Not unnaturally the Nepalese mind has been confused, but it is determined to blaze new trails [trails] and strike new paths in a bid to construct the country anew in all aspects of life.

Nepal lies in between two great countries—China on the North and India on the South. The great chain of the mountainous Himalayan region provides a most difficult access to the North, while on the southern side the Indo-Nepal borders are free and easily accessible. Nepal has diplomatic relations with China also and there is no reason why these relations should not be friendly and cordial merely on account of the unlikeness of the political systems obtaining in the two countries. As with India, Nepal's relations with China have been continuous since a long time past, and the treaty of friendship¹ with her is based on the principles of the Panchasheela which are

¹ Of 1960; see page 205.

the guiding factors in Indo-China relations as well. Values of life, spiritual and material, which are deeply cherished by Nepal are certainly more in common with those of India than of China, but the difference of view in the values of life between China and Nepal does not prevent both from co-existing, for Co-existence is the fifth tenet of the Panchasheela, and I think, the most significant. Since Nepal's agreement with China on Tibet¹ has followed the footsteps of the Indo-China agreement on Tibet² signed two years earlier and since the doctrines contained in the Panchasheela are held in high esteem by all three countries, Nepal's relations with China do not differ in principle from India's relations with her and it has never been the policy of Nepal, in her relations with India and China, to play off one neighbour against the other. The proposed Kathmandu-Tibet Highway not only will provide Nepal with an optional outlet to her expanding trade and commerce commensurate with her national energy and necessity and with detriment to none, and bring China and Nepal closer together but also will open up that interior part of the country which is at present least accessible and least developed.

I have deliberately undertaken the digression in order to facilitate a full appreciation of Indo-Nepal relations in the broad background of Afro-Asian resurgence in general and China-India-Nepal's relations in particular. As I have already pointed out, Nepal's relationship with India is traditional and dates back to a hoary past and it is based on the factors of geography and culture, and the principles laid down in the Panchasheela and the Charter of the United Nations. The cordial relations have been marred at times by freaks of history and at times by fraudulent attempts on the part of interested persons through the medium of press and platform. But these interested parties cannot stop the unrestricted perennial flow of human traffic, traders, pilgrims, students and others, from one side to another. They cannot change geography, nor can they change the cultural unity of the two peoples. Their bid to create a permanent and incurable divergence between India and Nepal by emphasising the difference of domestic political systems is absolutely futile. What they have not taken into account is the fact that underlying all the surface differences there is always present a deep note of amity and harmony between the two peoples which we must never lose sight of and which emanates from permanent socio-economic and geo-cultural realities.

It is against this background of permanent friendship between India and Nepal, of unprecedented awakening and resurgence of Asia as a result of respective nationalist movements in different countries and of special educational, administrative and institutional conditions of Nepal that the system of Panchayat democracy that we are trying to build in Nepal has to be viewed. It is wrong to suppose that the Panchayat democracy we are trying to build in Nepal is or is going to be a single man's creation. So far as Nepal is concerned, Parliamentary democracy as a form of government is completely unknown to the people and whatever its merits elsewhere has no possibility of taking immediate roots in Nepal. The experiment of Parliamentary democracy has been abandoned after an honest and sincere trial because it brought complications, up-rooted the normal tenor of life in

¹ Of September 1956, see page 185.

² Agreement on Trade and Intercourse between Tibet Region of China and India, April 29, 1954.

the country and produced chaos. In special conditions prevailing in Nepal we have to sell the idea of democracy to the people through institutions that are known rather than through institutions that are unknown. There are two institutions in Nepal, namely, kingship and panchayat, that are commonly known and understood by the people, and that work for unity and stability and peaceful progress, and it is through these institutions that the edifice of Nepal's progress has to be built.

We are grateful to the people and the press in India for the close interest with which our experiment of Panchayat democracy is being watched. We are aware that your political experiment is of different kind and that you watch our experiment some-times even with concern. We have great respect for Indian public opinion. Nevertheless, it seems to us that the Indian public opinion, as expressed through the press, platform and even parliamentary debates, tends to base itself almost exclusively on the Indian experience and not on the profound awareness of Nepalese conditions. Let me illustrate the difference between India and Nepal with one concrete example. Let us take the Civil Service. In India the tradition of the Civil Service is already so well established that the new annual recruits come into contact with a large number of experienced Civil Servants and this provides an automatic process of training. But in Nepal when the Revolution of 1951 came there was no Civil Service and so tradition and experiment have by necessity to go side by side. We have got to use every method to find people who can deliver the goods.

It is easy to exaggerate the differences between Nepal and India and also it is easy to minimize them. But it is much more difficult to see Nepal and India as they are, because to do this, sympathy, understanding and tolerance are required in a measure larger than that in which they are usually found. History shows that, in order that Nepal and India continue to share the basic spiritual values, it is necessary that they develop freely and without external pressure. The parallel of the past century does not work either for India or for Nepal.

Both India and Nepal have today plunged headlong into the task of constructing a new society on the basis of the local environment, and neither can afford the luxury of wasting time and energy, which can better be elsewhere deployed, in recriminatory debates. Both have international obligations to save succeeding generations from the scourge of war...and to affirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations, large and small, and to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained, and to promote social progress and better standard of life in large freedom, and with a view to being capable of accomplishing these ends, both have to build themselves in accordance with the genius of their own people, and so far as Nepal is concerned that is what she is doing today. Thank you.

(King Mahendra, Pages of history : Series II : 145-59)

43. Press conference of King Mahendra, New Delhi, April 22, 1962 (Excerpts)

REPLYING a question about the assessment of the Royal visit to Delhi and the results of talks with the Prime Minister Shri Jawaharlal Nehru of India

His Majesty said that except for the heat of Delhi His visit to Delhi had gone very well and His talks with the Prime Minister were held in a cordial atmosphere.

In reply to another question whether differences between Nepal and India had been resolved and the actual outcome was satisfactory, His Majesty replied: "The Prime Minister of India did not invite me to enquire about the internal matters of my country and I have also not come here to solve the internal problems of Nepal. However, both of us desire that there should be cordial relations between our two countries. Therefore, I came here to meet personally the Indian Prime Minister to clear whatever misunderstanding has been created between us. The Prime Minister of India also extended the invitation to me for the same purpose. There was, however, no special reason for any misunderstanding to exist between the two countries. The fact is that a handful of self-exiled Nepalese anti-nationals have attempted to create this atmosphere of misunderstanding for purposes of their own selfish propaganda. I have spoken frankly to the Indian Prime Minister about the real situation and so far as I know, the Indian Prime Minister is convinced. It is known to all that when facts are presented clearly, the results are always good." Replying to one correspondent's question "Did the Prime Minister agree or refuse to take any action to restrict the activities of Nepali Congress", His Majesty the King observed: "I am sure that the Prime Minister will definitely take necessary steps in accordance with the laws of the land to promote the cordial atmosphere between the two countries." To another question whether there was direct reference to it during the talks, His Majesty the King replied in the affirmative.

In reply to a question "Has the Prime Minister agreed to expel them (anti-national Nepali elements) from the soil of India," His Majesty stated: "It is a matter for the Government of India to decide".

Asked whether any assurances from the Government of India had been received in this respect, His Majesty replied: "We talked about matters of mutual interests and we did not go into such details and hence the question of the assurance does not arise at all. So far as the question of the activities of the anti-national elements is concerned, greater vigilance to prevent violent activities in border areas has been assured by Prime Minister Nehru." Reminded by a correspondent of the continued violent activities of the anti-national elements in the border areas inspite of such assurances in the past, His Majesty replied: "I have confidence in Prime Minister Nehru and I am more confident than ever before of the fulfilment of the assurances given by him. But, results alone will speak."

Asked why His Majesty's Government refrained from consulting the Indian Government regarding the construction of Kathmandu-Lhasa road in compliance with the Indo-Nepal friendship treaty of 1950, His Majesty stated: "This road is internal affair of Nepal and as the road is solely a matter of economic significance, the question of consultation with the Government of India did not arise. The Nepalese people know very well the economic value of this road for them. Its value cannot be appreciated by people sitting outside."

Regarding the question of checking the possible smuggling of Indian goods to Tibetan side through this particular road, His Majesty observed: "It is

the duty of any responsible government not to permit such illicit movement of goods."

Questioned whether B. P. Koirala's internment without giving him the opportunity to defend his case was not contrary to the spirit of UN declaration of Human Rights, His Majesty observed that while Human Rights belonged to all, Koirala's detention was under the Public Security Act and, therefore, it was Nepal's internal affair.

Asked whether His Majesty's Government feels that whatever was happening in Nepal was sponsored by a handful of Nepalis living in India or it was the spontaneous agitation against the regime, His Majesty answered: "These are only the stray acts of loot, arson and murder staged by a handful of anti-national traitors entrenched in the Indian soil and there is not a trace of people's revolt in them and there is no disturbance in the Kingdom. These acts of violence have no support of the people whatsoever."

Questioned what was required to improve relations between Nepal and India His Majesty observed: "Frankness and mutual understanding."

Asked whether there was any proposal for the revision of Indo-Nepal friendship treaty of 1950 His Majesty replied: "NONE".

Replying to a question whether His Majesty had given a chance to the last government to work for the Panchayat system before its dissolution and whether His Majesty would elaborate His reference to Panchayat and Monarchy in one of His previous statements His Majesty stated: "I had repeatedly advised and warned the last government that it was deflecting from the correct path. Regarding Panchayat and Monarchy I had said that Parliamentary democracy was not at all understood by the people of Nepal and, therefore, this system could not work in our country. On the other hand, the concepts of Monarchy and Panchayat are clearly and fully understood by the Nepalese people."

Requested to comment about the reported letter of President Kennedy to the Government of India concerning Nepal and whether such a letter had been received by His Majesty from the U.S. President, His Majesty said: "I have also seen reports about the letter in newspapers. I had not received such a correspondence from the U.S. President. And I do not think that the U.S. Government would in any way interfere in the affairs of other nations."

Asked whether His Majesty had talks with the Indian Prime Minister about the existing problems between India and China His Majesty said: "No. This is a matter concerning India and China. In our talks on international affairs we did not go into such details."

Asked again whether the Khampas were active against Tibet from Nepalese soil His Majesty said: "No".

Asked whether invitation had been extended to Prime Minister Nehru for a visit to Nepal His Majesty said: "He is always invited to Nepal."

44. Speeches of King Mahendra and Dr. Rajendra Prasad at a banquet, New Delhi, April 22, 1962

King Mahendra's speech:

WE are naturally very happy indeed to have this opportunity of meeting you in such a cordial and pleasant atmosphere. We have accepted the invitation extended to us by His Excellency Shri Jawaharlal Nehru, Prime Minister of India, and we have come to India with the sacred intention of further strengthening the peaceful and friendly relations between Nepal and India.

It is our declared policy to cultivate friendly relations with all friendly countries on a peaceful and friendly basis. It is not our policy to be within any power blocs, big or small.

The people of Nepal have a tremendous goodwill for India and her people. It is necessary that constant efforts are made to further strengthen the good relations between our two countries. It is our firm belief that responsible persons in both the countries remain vigilant not only to maintain but also to strengthen the good relations between Nepal and India, and that it is necessary such elements as are engaged in undermining the relations of friendship between our two countries are rooted out with promptness.

During our present visit we have the opportunity of exchanging views on matters of mutual interest with the Prime Minister of India in a very cordial atmosphere. We are happy to note that His Excellency the Prime Minister of India has specially emphasized that the Government of India do not encourage violent tendencies and actions and deplore all the acts of violence and lawlessness. We have also exchanged views on various international issues on the basis of recognition of each other's interest and as there is a large measure of agreement on almost all issues, we hope that there will be increasing co-operation between Nepal and India in the various international conferences.

I wish to extend my thanks to the Honourable Shri Nehru for expressing appropriate ready co-operation to Nepal for the success of the development projects, land reforms and the Panchayat system of democracy developed by Nepal according to her plan and which has the unqualified support of all the Nepalese, within and without.

I would like to thank you, on behalf of the people of Nepal, for the goodwill and warm welcome shown to us by you in your Capital.

I am happy to hear about the multifarious works of development in India and I extend my good wishes for the happiness and prosperity of the people of India. After this mutual exchange of views in a cordial atmosphere, we are going back tomorrow to Kathmandu in happy circumstances with the hope and confidence that the root cause of the uneasiness in the relations of the two countries which has appeared very recently will be removed and our bonds of traditional friendship will grow even stronger.

Dr. Rajendra Prasad's speech:

I feel much honoured to be present here for tonight's Banquet in response to the kind invitation of His Majesty the King of Nepal. I have known something of the traditional hospitality of our great neighbour, and quite a bit of

the generous scale of entertainment observed by Their Majesties, for I had once the honour of having been their guest in Kathmandu for about a week some 6 years ago.

The friendly ties that bind India and Nepal together are so obvious, reinforced by geography and sanctified by history as they are, that our people often take them for granted. The slightest discordant note in the flow of these age-old harmonious relations cannot but make us feel uneasy, if not unhappy. If such a thing has happened, one can only explain it by ascribing it to the stresses and strains of modernisation. After all, both of our countries have their roots in a hoary past. For ages both of us looked back for inspiration. With the impact of modern ideas and present-day needs and requirements and with the dawn of freedom in our country—luckily you have always been your own masters in Nepal—new situations began to arise.

Nevertheless, it is our duty to be vigilant and to see to it that the relations between India and Nepal not only continue to remain friendly as hitherto, but these ties are further strengthened. With goodwill on both sides and with the welfare of our respective peoples at heart I do hope that it would certainly be possible to get over whatever difficulties might come in the way of achieving this objective.

The hope that I have just now expressed has found welcome confirmation in the talks that Your Majesty and our Prime Minister have had during the past few days in an atmosphere of goodwill and cordiality. I am confident that as a result of these talks, our two countries will come still closer and the existing co-operation between our two countries in various development programmes for the betterment of our peoples' lot, will continue to increase.

I am very glad to know that apart from strengthening our mutual friendly relations, these talks also augur well for enhancing collaboration between India and Nepal in the international sphere for the preservation of peace and for the progress of all peoples.

Excellencies, May I now propose a toast to the health of Their Majesties the King and Queen of Nepal, the continued friendship and good neighbourly feeling between our two countries and the happiness and prosperity of the Government and the people of Nepal.

(Foreign Affairs Record : VIII (4) : April 1962 : 97-98)

45. Joint communique issued at the end of King Mahendra's visit to India, New Delhi, April 23, 1962

At the invitation of the Government of India, His Majesty the King of Nepal, accompanied by Her Majesty the Queen, Her Royal Highness Princess Sarada Rajya Lakshmi Devi Shah, His Excellency the Foreign Minister and senior officials of His Majesty's Government, visited New Delhi from April 18 to 23.

His Majesty took the opportunity of this visit to discuss with the Prime

Minister and with other Ministers of the Government of India a wide range of subjects covering relations between their two countries. Because of the natural affinities and traditional ties between Nepal and India, these relations are so extensive and close that they affect many aspects of the life of the people of both countries.

His Majesty told the Prime Minister about the situation created by certain activities which handicapped the efforts of His Majesty's Government of Nepal to execute their plans of social and economic development and introduction of agrarian reforms and about the misunderstanding between India and Nepal created by interested Nepalese. The Prime Minister assured His Majesty that the Government and the people of India were vitally interested in the stability and prosperity of Nepal as a strong and prosperous Nepal was vital to the security and prosperity of India. While freedom of expression was permitted in India, the Government of India was against all violent or unlawful activities of any sort.

The Prime Minister told His Majesty that it was important to give the people a sense of participation in activities connected with the country's development and explained in this connection the measures taken in India to extend the system of panchayat government. His Majesty explained that efforts are being made in Nepal for agrarian reforms and the development of the panchayat system. The Prime Minister assured His Majesty of the Government of India's continued readiness to assist Nepal in appropriate spheres in furtherance of His Majesty's plans for the social and economic development of Nepal. His Majesty and the Prime Minister agreed that peaceful conditions and ever increasing public co-operation are necessary for the attainment of these objectives, and that acts of lawlessness and violence are to be deplored.

His Majesty and the Prime Minister agreed that both India and Nepal have a vital interest in each other's sovereignty, independence and territorial integrity and reaffirmed their intention to consult together on appropriate measures of mutual assistance at the request of either party. In this connection, His Majesty and the Prime Minister recognised the value of both countries of the assistance each had been rendering to the other.

His Majesty and the Prime Minister agreed that propagandistic publications led to misunderstandings. Such misunderstandings should be removed and differences of opinion between the two Governments concerning facts settled when necessary by joint informal inquiries carried out by senior officials designated by the two Governments.

His Majesty and the Prime Minister agreed that their frank exchange of views had further contributed towards cementing relations between their two Governments and peoples. They had no doubt that it was the earnest desire of the people of both countries to maintain relations of mutual confidence and affection, and that all responsible persons in both countries would continue to work towards that end. His Majesty and the Prime Minister agreed to keep in touch with each other on matters of mutual interest.

46. Question¹ in the Lok Sabha regarding Nepal's claim over a portion of forest in Bihar, New Delhi, June 19, 1962

Will the Prime Minister be pleased to state:

- (a) whether it is a fact that the Government of Nepal have advanced some claim over a portion of Narsahi forest in Champaran district of Bihar, and
- (b) if so, what reply has been sent to the Government of Nepal in this regard?

The Minister of State in the Ministry of External Affairs (Shrimati Lakshmi Menon): (a) and (b)—It is true that the Government of Nepal lays claim to a small portion of Narsahi forest in Champaran district of Bihar. But this is not a new claim. This matter has been under correspondence between the Governments of India and Bihar on one side and the Government of Nepal on the other for the past several years. No final reply has been sent to the Government of Nepal².

Shri Surendra Pal Singh [Congress]: Has Nepal advanced similar claims elsewhere also?

Shrimati Lakshmi Menon: No, Sir.

Shri Bibhuti Mishra [Congress]: Is it not a fact that this forest is at present in our possession and according to our records it appears that this belongs to India? Has the Government of India informed the Nepalese Government that according to records it is ours and is in our possession? [*Unofficial translation*]

Shri Jawaharlal Nehru: This is an old dispute. It is going on since before independence; the dispute is quite old. Our records are in our favour but there is something else in their records. This point is under discussion now. This is an old dispute involving a small part of forest. This is not very important. We should mutually decide which side it belongs to. [*Unofficial translation*]

Shri Bhakt Darshan [Congress]: It has just been stated that the Narsahi forest is not in the possession of the Nepalese Government, there is only a claim; whereas a Minister in the Bihar Government had stated in the Legislative Council that it is in the possession of Nepal for the last two years. What is the actual position in this regard? Will the Hon'ble Minister kindly throw some light? [*Unofficial translation*]

Shri Jawaharlal Nehru: I think—I am not sure—that it is not under their possession, but the Nepalese had entered the forest and cut some trees to which the Bihar Government had objected. [*Unofficial translation*]

¹ The question was asked by eleven members.

² According to the information supplied to the Rajya Sabha on June 26, 1962 an area of approximately 15 square miles from the trijunction of Gorakhpur (UP), Champaran (Bihar), and Nepal, along the Gandak to Triveni is in dispute between the two countries since 1884-85. The dispute has persisted mainly because of the continual changes in the courses of the river along with which the border was defined. A joint Boundary Commission was set up in 1929. Meetings between the representatives of the Nepal and Bihar Governments were also held in 1937, 1947, 1952 and 1953 in order to resolve the dispute.

Shri Hem Barua [Praja Socialist Party]: In view of the fact that the border between Nepal and our country is an intangible frontier, like US-Canada border, may I know whether Government propose to define this border so that Nepal cannot make this kind of claims any more?

Shrimati Lakshmi Menon: The border has been demarcated except in this portion of about fifteen miles of territory where it is a riverine border. There is negotiation going on between the two countries and there is likelihood of the problem being solved very soon.

Shri Nath Pai [Praja Socialist Party]: Partially what she has stated towards the end has covered my question. Because of the impression that one country is trying to spread abroad that India can never solve her border disputes with any country and also in view of the fact that our relations with Nepal are very cordial, may I know what the Government is going to do to settle this, not through correspondence alone but perhaps by offering negotiations at a higher level?

Shri Jawaharlal Nehru: It is wellknown that we expect to solve it peacefully to the satisfaction of both parties. It is not quite correct to say that we have not solved any border disputes. We have solved any number of disputes with Pakistan.

Shri Yogendra Jha [Praja Socialist Party]: Under the Kosi project, where the barrage is under construction, there also a dispute between India and Nepal about the ownership of the territory had started—whether it belonged to Nepal or India. As had been stated in the Bihar Legislative Assembly that Nepal had taken possession of the Narsahi forest for the last two years, I would like to know if there are any similar territorial disputes between India and Nepal and if so, how many? [*Unofficial translation*]

Shri Jawaharlal Nehru: I am not aware if there is any other border dispute with Nepal. Even this is not a very big dispute. There is some argument about it. [*Unofficial translation*]

Shri Tyagi [Congress]: The Honourable Minister has just now stated that the Government of India has not sent any reply to Nepal. I want to know the reason for this delay in sending a final reply when this quarrel or dispute has been going on for so many years in the past.

Shri Jawaharlal Nehru: The very fact that the dispute has been going on for generations shows that there is something complicated about it. It requires surveys and other things and, I believe, some efforts are being made for a proper survey.

Shri Tyagi: Are we quite definite that the territory is ours? If so, why have we not communicated that?

Shri Jawaharlal Nehru: The Honourable Member should know that sometimes it is not very easy to do that. We think that it is our territory, a little bit here or a little bit there. It will depend upon surveys, revenue records and other things.

47. Press conference of Mr. Rishikesh Shaha, Kathmandu, July 17, 1962 (Excerpts)

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India and China:

HE said that the foremost object of Nepal's policy did not differ with that of any other country's policy, *viz.*, the preservation of independence, sovereignty and territorial integrity of the nation. "Our security and freedom, in our opinion, depend to a large extent on the performance of cordiality between India and China. Conscious as we are of our limited role in world affairs, we have nevertheless sought always to contribute in our own humble way to the growth of goodwill and understanding between our two great neighbours. We have never believed in playing one neighbour against another, nor have we ever attempted to exploit misunderstanding between our two neighbours in order to promote our mean selfish interests. We are past the age when smaller nations existed or could exist only as satellites in the orbit of a great power or as buffer states preserved by international or regional agreements, and we regard the concept of buffer state as outmoded and unsuited to the realities of mid-twentieth century power politics. We are also past the age in which Lord Salisbury's celebrated boast concerning England's impeccable 'splendid isolation' held water.

"Today for purposes of national defence the English Channel is not what it used to be till the closing of the last century and the Himalayas are not what they are popularly supposed to be, owing to the constant contraction of the world effected by scientific and technological development," he said.

Mr. Shaha emphatically asserted that Nepal could not be turned into a battleground for ideological and propaganda warfare. "Much as we ourselves wish to see the speediest end of the present phase of cold war, we are in the least inclined to let our country become an object of the lesser phase of cold war as it were."

"We have always served as a meeting ground of the influences emanating both from the North and the South, and have also acted sometimes as a catalyst for these influences and adapted them to our own stem and pattern of life and thought. We think that we are not asking too much from any one when we assert and exercise our right to pursue without pressure from any quarter our national destiny and evolve a political and economic system best suited to our own needs, traditions and genius. All we expect from our neighbours and friends is sympathy and understanding, and every kind of assistance and co-operation which they can render us in advancing the economic and social development of our country," he said.

Ties with India:

Throwing light on Nepal's ties with India the Minister for Foreign Affairs said: "God and nature have ordained that Nepal and India live in amity as good neighbours, sharing common problems of economic and social advancement. Although permanent and unique ties of geographical position and historical and economic relations between India and Nepal have brought the two countries closer to each other as next-door neighbours, misunderstanding of some kind or the other is bound to arise between them from time to time as is always the case between neighbours. But the most important

point is to learn to put up with this sort of ephemeral situation and show tolerance and understanding in handling it. Material factors along with character and genius in the make-up of a people derived from race and history inspire their hopes and fears. And in a world crudely organized and associated in which even members of a single family know less of one another than is to be desired, nations, as neighbours and friends, should do well in trying to understand more of each other than they have hithertofore done.

King's Delhi Visit:

“The recent Delhi visit of His Majesty the King at the invitation of the Indian Prime Minister is a significant step towards realization of the policy of resolving differences by means of direct consultation between the parties concerned and also towards that of understanding each other's points of view better. The joint communique published subsequent to the visit is a reiteration of the principles enumerated in the existing India-Nepal Treaty of Friendship. It stresses the need of co-operation in matters of mutual interest and promoting goodwill in the perpetual relationship happily existing between the two countries, and has also once again demonstrated that there is no dearth of men of understanding and goodwill on both sides.

Joint communique:

“The entire prospects for the improvement of Nepal-India relations would change definitely for the better, if only the spirit of the joint communique can be realised in practice, and the lawless and anti-social elements are not allowed to be organised under political cover of a dubious kind for initiating raids against Nepal from across the border. Those who are responsible for all this wish to thrive by accentuating the temporary differences between Nepal and India and do not realise that they are doing incalculable harm to the cause of Nepal-India friendship which in the end will, no doubt, triumph over these malicious and nefarious designs on the part of a handful of people actuated by selfish and personal motives. Their attempt to give the impression to the world that there is internal strife and disorder in Nepal has utterly failed in view of the fact that there is no sign of popular discontent inside Nepal itself and taxes were realised to the full this year despite all the threats and attempted raids of the border areas by the opponents of the present regime from outside Nepal.”

(*Nepal News* : I(23) : July 22, 1962 : 5-6)

48. Speech of Mr. Rishikesh Shaha at the Indo-Nepalese Friendship Association reception, New Delhi, September 6, 1962 (Excerpts)

ADDRESSING the Indo-Nepal Friendship Association . . . Mr. Rishikesh Shaha said that Nepal's friendship with China should not be interpreted as hostility towards India.

He said it was necessary for Nepal to have friendly relations with its “two big neighbours” and, in fact, “our friendship with China” might even be helpful to India.

He expressed surprise that some Indian circles were suspicious that Nepal was trying to strike "some sort of a military deal" with China. The fact that almost all Nepalese check-posts on the Sino-Nepalese border were manned by "three or four" Indian officers precluded any such possibility.

He said that owing to common heritage and geographical proximity, Nepal's relations with India were of a "special kind". "The Himalayas have made all of us one geographical unit as distinct from the northern countries on the other side".

He tried to explain why India was sensitive to steps taken by Nepal for her advancement. Although Indians accepted Nepal's sovereignty in theory, they were prone to regard Nepal as a part of India. Therefore, any Nepalese steps which were not palatable to India appeared exaggerated to the Indian mind.

Pointing out that Nepalese moves for trade relations with Pakistan, China and Tibet were not intended to harm India, he said that the misunderstanding between Nepal and India was of an ephemeral nature. "Nothing could affect our friendship which is based on common fundamentals."

He regretted that India and Nepal had not yet been able to evolve a common policy to deal with the uneasy situation on the Indo-Nepal border. Most of the raids from the Indian side of the border were engineered by Nepalese dissidents in India.¹

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(*Asian Recorder* : VIII (40) : 1962 : 4819)

49. Communique issued by the Nepalese Royal Palace relieving M/s Rishikesh Shaha and Anirudha Prasad Singh from the Nepalese Council of Ministers, Kathmandu, September 22, 1962

It is common knowledge that the step taken by His Majesty the King on December 15, 1960 for the welfare of the country and the people has been whole-heartedly acclaimed by all patriotic Nepalese within and outside the country. The parliamentary system and the onslaughts made by it under the mask of party politics on the unity and sovereignty of Nepal and the activities of elements dancing to the tune of a foreign Power had exhausted the patience of all Nepalese people.

The people have felt very much relieved at being freed from the threatening possibility of their country and themselves having to live for ever as marionettes and hangers-on of a foreign Power if such a system and ways of working had been prolonged. All of them have shown increased interest and enthusiasm in the progress and development of Nepal.

This dynamic march of the country has, however, not been favoured by elements who have for generations found their security in keeping themselves and their wealth in alien lands and their happiness in playing second fiddle to foreign interests.

¹ Later on September 11, at a Press conference Mr. Shaha alleged that raids into Nepal from across the border had increased "in number and intensity" since King Mahendra's recent visit to Delhi; of the 138 raids since December 1960, 76 had taken place after the King's visit.

It is universally known that these anti-national elements have been making a habit of entering fully armed into Nepalese territory from their bases across the border, committing inhuman acts of arson, loot and murder, not sparing even innocent children, women and old people, as well as damaging and destroying the huts and homes, bridges and canals built with the sweat and toil of these innocent people along our side of the border and then running back to their safe haven in India.

Nepal has, time and again, given friendly notice of all such happenings to the Government of our great neighbour and friendly country, India, through the medium of official correspondence and also explained the gravity of the situation through personal get-togethers. Notwithstanding all this, however, such happenings have registered an increase and the anti-national elements have been receiving all sorts of help, facilities and co-operation in the friendly country, India. This has made it necessary for all patriotic Nepalese within and outside the country to face up to this situation in a well-organized manner with vigour and vigilance.

Nepal is for the welfare of all countries and does not entertain any ill-will towards any country. Nepal always desires friendly relations with the friendly country, India. That the destructive elements residing in Indian territory have been trying to spoil the relations of affection and goodwill subsisting between the peace-loving people of both the countries has also been understood by all. This state of affairs is known not only to the diplomatic representatives of friendly countries stationed in Kathmandu, but to all the nations of the world. Nepal has never wished ill to India. But to work for the good of Nepal should never be interpreted as doing harm to India. India should be happy over the progress and development of Nepal, but if despite all our efforts in this direction anti-national elements receive co-operation from India, Nepal can never be happy over it.

It has become necessary to place this matter before all our compatriots. Now it is time for the Nepalese to think afresh of the welfare of their beloved Motherland, Nepal. Now it is time for us all to set aside our personal self-interest and stand on our own legs in union and solidarity for the unity of the country and advancement of her best interest. Nepalese are capable of sacrificing themselves in the cause of their sovereignty and independence. The gallant Nepalese race has always held its head erect and never learnt to bend it. Nepalese have never strayed from the path of duty under any circumstances. The Nepalese people will rapidly march along the ways of progress through the Panchayat system approved and sponsored by themselves. There is no doubt about this. Nepal is not prepared to enter into any kind of compromise on the basis of threats of evil actions engineered by fifth columnist and anti-national elements.

The problem now confronting the country is our common problem. It is not the problem of any particular individual, class or community. It is the problem of all Nepalese. As usual, His Majesty the King is confident that Nepalese people everywhere will from their respective places and positions tackle the anti-national elements in an organized and effective manner.

With a view to bringing still more uniformity and solidarity in the Council of Ministers, His Majesty the King has, with thanks, for the honesty and

integrity with which Mr. Rishikesh Shaha and Mr. Anirudha Prasad Singh have discharged their responsibilities up to Tuesday, relieved them of their functions as members of the Council of Ministers.

In conclusion, His Majesty the King has given due thanks to all the patriotic people of Nepal and all the officers and personnel of the civil, military and police services for the devotion they have shown to the cause of national unity as well as their honesty, integrity and patriotism.

(*Asian Recorder* : VIII(42) : 1962 : 4841-42)

50. Press conference of Mr. Vishwabandhu Thapa, Kathmandu, September 30, 1962 (Excerpts)

MR. Vishwabandhu Thapa, the Nepalese Home Minister charged the Government of India with complicity in rebel raids into Nepal "coming from across the border."

He replied with an emphatic "surely", when asked whether Nepal thought the Indian Government was directly or indirectly involved in the border incidents.

* * * * *

Answering a question, he said that Nepal did not like or intend to go to United Nations with her complaints against India concerning "rebel raids into Nepal". Asked if he would take the issue to the United Nations for its good offices, he said: "we are Asians and we propose to settle our issues among ourselves. We do not intend to go there."

* * * * *

He said that many of the raiders who came into Nepal armed were not Nepalese. "In fact, those who enter Nepal armed cannot be Nepalese nationals."

Answering further questions on the border situation, he said: "The Government of India is implicated in it inasmuch as the 'rebels' are obtaining arms in India and are allowed to organize themselves in India."

(*Asian Recorder* : VIII(43) : 1962 : 4856)

51. Speech of the Nepalese delegate Mr. Rishikesh Shaha in the U. N. General Assembly, New York, October 5, 1962 (Excerpts)

* * * * *

My voice in this Assembly is the voice of a small country, a poor country that is making a minimum contribution in terms of money to the United Nations and which is receiving more aid and support from the United Nations than it is able to pay for. It is only recently that we have ventured to tread the extremely delicate path of world affairs. Our policy in this respect is, and has been, to maintain friendly relations with all countries irrespective of any political ideology they practise, and without committing ourselves in advance to a particular course of action in any international situation that

may arise. History has shown, and the deliberations in the United Nations prove, that we have retained and firmly exercised our independence of judgment in evaluating each international issue as it arises and on its own merit. We believe that only by pronouncing ourselves clearly and unequivocally on what appears to be right to us, can we reach that stage of objectivity and detachment which is essential for the scrutiny of problems of international import. Our refusal to align ourselves with one or the other of the Power blocs does not, therefore, stem from our desire to sit on the fence or shirk our responsibilities as a Member of the United Nations in assessing international issues.

There is nothing passive or immoral about our policy of goodwill towards all and illwill towards none. We have always been an independent and free nation and the cause of freedom of nations has always been dear to us. We are, as it were, definitely against interference of any kind in the internal affairs of our country—or, for that matter, of any country—no matter where it comes from. Colonialism, as we understood it, is counting its last days; but as our delegation put on record in the course of the general debate during the fifteenth session of the General Assembly (878th meeting), the international situation of today is singularly dominated by what might be called “a big Power complex” not only among the big Powers themselves but among Powers aspiring to play big, a phenomenon which is no less disastrous than colonialism in its effects. The situation has not changed since, and the world stands today in greater danger of the old phase of colonialism being superseded by a manifestation of desire on the part of bigger and more resourceful nations to dominate the affairs of poorer and smaller nations by exploiting the inherent helplessness of the latter’s position.

Nepal being a land-locked country, our position has deprived us of equal opportunity for developing trade and economic relations with other nations of the world. Nepal has no outlet to the world except across the vast Indian peninsula and through the snowbound passes of the Himalayas. We have planned to broaden the arena of our relationship with China by venturing jointly with it in the construction of a highway connecting our capital with the Tibetan region of China, which will give impetus to the local trade in the border area between the two countries. And with India, we have entered into a Treaty of Trade and Transit which, judging from the experience of the past few months, will, I hope, be smoothly implemented in practice. In view of the obligations the United Nations has undertaken under Article 44 of the Charter to promote conditions of economic and social progress and development, on the basis of equal rights, with a view to the creation of conditions of stability and well-being, my delegation urges the United Nations to revitalize its efforts in that direction, especially in the less advanced areas of the world.

In conclusion, I would like to stress the fact that our foreign policy, as reflected in our attitude at the United Nations, is aimed at realizing broadly three points: freedom, prosperity and peace. By freedom we mean every nation’s right to shape its national destiny in its own way, without being subject to pressure of any kind from any quarter; for the Charter of the United Nations itself is governed by the principle of non-interference and the sovereign equality of all nations, big and small. By prosperity, we mean the economic welfare of the world community as a whole. Peace denotes not only

the negation of war, but the creation of a healthy atmosphere of understanding among nations. We believe that there is no better basis for furthering these objectives than the Charter of the United Nations. In the spirit of the Charter we try to promote, by the limited means available to us, fraternity and reasonableness in international relations. We honour the United Nations as the finest, and possibly the only, means of guaranteeing the survival of humanity in an era of atomic explosions, and as the only Organization that has heretofore proved itself equal to the task of averting a new world war and of promoting decency in dealings among nations.

(*General Assembly, Official Record* : 1143rd Plenary meeting : October 5, 1962 : 337)

52. Press interview granted by King Mahendra to the representative of the Rashtriya Sambad Samiti, Kathmandu, November 10, 1962

Question: What might possibly be Your Majesty's reaction to a reported statement issued by the leader of the anti-national elements, Subarna Shumsher, announcing the suspension of border raids in view of the critical situation¹ now confronting India?

His Majesty: I never care for what is done or said by a self-styled leader who has no regard for Nepal whatsoever, and rather gloats over inflicting damages on Nepal and the Nepalese by projecting armed raids from his safe haven in India. I have only heard that some such statement has appeared, but I have not read it. Anyway, this has reminded me of a fable I had read in my boyhood. The fable was about a man who had the habit of picking others' pockets. He was a past master in his trade and used to quietly relieve the passers-by of the contents of their pockets, taking advantage of the hustles and bustles in a crowd. If, however, he were caught red-handed and taken to task, he used to confess his misconduct brazenfacedly and whimper for mercy pathetically. In my opinion, it would have been better if he had announced not suspension but complete cessation of a career given to perpetrating criminal deeds from his Indian base, and that, too, not only in view of the Indian situation, but trying to be true to Nepal as well. However, I am not sorry for this omission. Rather I am very much happy in one respect. That is, this announcement about suspension has clearly proved that a certain element basing itself in India had been violently committing heinous crimes against Nepal and the Nepalese, as I had been repeatedly saying. I derive satisfaction from it because it has exposed the past misdeeds of that element in all their nakedness for the benefit of those who had so far found difficulty in acknowledging the fact as well as of the world at large.

Question: Does Your Majesty feel that India was at the back of it and it has been suspended now because India wanted to?

His Majesty: Had India really been aiding and abetting a handful of selfishly motivated, anti-national, Nepalese fugitives in India in their evil ventures, regardless of the greater interest and blameless wishes of the vast majority of the Nepalese people and trying to check them now, everyone in

¹ Fighting in Nefa and Ladakh between India and China.

Nepal would have heartily lauded India's showing a proper understanding of the matter much earlier. But, what should or should not have been the line of action for India on this issue is entirely her lookout. I do not know whether India was or was not behind those activities. I have nothing to say about it. Nonetheless, I think that, even as Nepal is keen to maintain friendly relations with India in a correct manner, India cannot be in favour of the idea of allowing a handful of irresponsible persons to spoil the friendly relations subsisting between Nepal and India. But, perhaps, the posture of events calls for positive actions more than verbal assurances to carry conviction to the citizens of Nepal.

Question: May I solicit Your Majesty's reactions to the current Sino-Indian armed conflict? And what is Nepal's attitude towards it?

His Majesty: Surely, it is a grievous and fearful matter, and China and India should expeditiously settle it through mutual negotiations, because it has originated from the border controversy between these two countries. As for Nepal's attitude towards it, Nepal of today is not that of the years preceding 1951, nor is she in such a condition as she was in till the year 1960. Now she can no longer be easily misled nor can she permit anybody to further his narrow self-interest at the cost of the vital interests of her people. Today Nepal's straight and clear-cut course is to be meticulous in adopting policies so that the welfare of the country and her people is in no way affected adversely. The non-aligned, independent, healthy and well-defined policy of dynamic Nepal has also been universally understood. Nepal wishes well to all friendly countries and ill to none. Nepal longs to maintain cordial relations with all friendly countries. She never interferes in others' affairs nor can she tolerate others' interference in her affairs. So, this being a dispute between India and China, Nepal deems it most appropriate that they should resolve it through mutual understanding. It is, however, an inborn virtue of the Nepalese to be sympathetic in a friend's distress because the Nepalese are a gallant people, and treachery is totally alien to their nature. It is in the course of life-long efforts in the cause of peace that Mr. Nehru's hair have turned grey and I do not think that he will lag behind in resolving the present crisis as well. Also, I am well acquainted with the Prime Minister of the People's Republic of China, a believer in the Five Principles of Peaceful Co-existence. Hence, judging from the developments in the present crisis, Nepal sees no reason why she should become a victim of the struggle between her two big neighbours nor, in fact, does she want to be in that position. All the same, if Nepal ever feels that she can, by any of her actions, be useful in solving such problems, Nepal will, I am sure, be found prompt and prepared. Nepal firmly believes that this sort of conflict should never receive a long lease of life.

(King Mahendra, Pages of history : Series-II : 198-202)

(iii) HEALING THE WOUNDS

53. Joint communique issued at the end of Mr. Lal Bahadur Shastri's visit to Nepal, Kathmandu, March 5, 1963

AT the invitation of His Majesty the King of Nepal and the Hon'ble Dr. Tulsi Giri, Vice-Chairman of the Council of Ministers, Nepal, Shri Lal

Bahadur Shastri, Minister for Home Affairs, Government of India, paid a four-day visit to Nepal. He was accompanied by Shrimati Shastri. The Home Minister conveyed to Their Majesties the King and Queen of Nepal the greetings and good wishes of the President and the Prime Minister of India.

His Majesty welcomed the visit to Nepal of the Home Minister as it would help in strengthening the relations between the two countries. The Home Minister thanked His Majesty and the Government of Nepal for their kind invitation and expressed his gratitude to the people of Nepal for the affectionate welcome accorded to him and his wife.

During his visit the Home Minister of India had friendly and informal talks with His Majesty on a variety of subjects. He also had the benefit of more than one discussion with the Hon'ble Dr. Tulsi Giri, Vice-Chairman of the Council of Ministers. There were also separate talks with the Hon'ble Home Minister¹ of Nepal. All these talks were very helpful and fruitful. There were three meetings with His Majesty and the Ministers of Nepal. They expressed keen desire to foster and strengthen the close friendship between Nepal and India. The Home Minister also said that nothing would give him greater happiness than if he could in some small way be instrumental in furthering this objective. In view of the basic unity and friendship between the two countries, small differences could be discussed and settled by frank discussions.

The discussions covered many matters of common interest to the two countries in the context of the conditions prevailing in the region and of the general world situation. It was recognised that Nepal and India are bound by unbreakable ties of geography, culture and traditions and have a vital interest in each other's well-being. It was agreed that the process of frank consultation to promote the common objective of the two Governments should be continued.

Matters relating to the implementation of the joint economic programme in Nepal were discussed. The Home Minister expressed the anxiety of the Government of India to see that these were executed as rapidly as possible. It was agreed that appropriate machinery should be devised to remove difficulties in the way of their speedy implementation.

The Home Minister also paid a visit to the Trishuli Hydroelectric project. He was glad to see that the work on the construction of the barrage and the power-house was in full swing and the pace was expected to be further speeded up.

The Home Minister emphasized that India and Nepal were sovereign countries and India had no wish other than to have the friendliest relations with a neighbour country with whom she had so many ties. Both sides expressed their mutual satisfaction at the outcome of the talks which were marked by friendliness and sincerity.

(Foreign Policy of India, Text of Documents : Lok Sabha Secretariat, New Delhi : 1966 : 347-48)

¹ Mr. Vishwabandhu Thapa.

54. Statement of Mr. Lal Bahadur Shastri in the Lok Sabha on his visit to Nepal, New Delhi, March 7, 1963

I went to Kathmandu on the 2nd of this month on an invitation from the Nepal Government and returned here yesterday after a stay of four days in Nepal.

I should like to express my deep sense of thankfulness to His Majesty, the King of Nepal and His Majesty's Government for their kind invitation. I shall long cherish this visit as it was most pleasant and rewarding. I am also deeply grateful for the heart-warming reception and generous hospitality extended to me, and to those accompanying me, by the Government and people of Nepal.

During my visit I had the benefit of meeting and having long and informal talks with His Majesty on several subjects of mutual interest. I also had several discussions with the Vice-Chairman of the Council of Ministers, the Hon'ble Dr. Giri. There were separate talks with the Hon'ble Home Minister of Nepal, Shri Vishwabandhu Thapa and I had the opportunity of meeting other Ministers of His Majesty's Government as well. While there was no specific agenda for these talks, we discussed a variety of subjects. I should like to say that all these talks were very helpful and productive.

During my talks with His Majesty and His Majesty's Ministers, I apprised them of the situation prevailing in our region as it concerns India, and also of our assessment of the general world situation. I shared with them our anxieties resulting from this situation and conveyed to them our Government's desire for peace and friendship with all. I am inclined to think that our position is well understood by the Nepalese Government and it is recognised by all responsible people in Nepal, as indeed in India, that we have a stake in each other's well-being, prosperity and progress in conditions of peace and stability.

Nepal is a small country with a small population and small resources. But during my brief stay in Kathmandu, I attempted to make it clear beyond any doubt that we in India are not given to thinking of ourselves—for less acting—in the way of big brother. We are living in a world in which new concepts are fast replacing the concepts of yesterday or the year before. It is not enough in these times to think in terms of age-old ties of history and culture alone. Ours is an age of revolutionary economic change and progress.

Both India and Nepal are under-developed countries and they face similar problems. However limited our resources, and whatever the magnitude of our own problems, it would be our earnest endeavour to render such assistance as we can to the Government and the people of Nepal in the task of Nepal's development.

I feel that my visit to this closest neighbour of ours has been useful. But, the fostering of the close friendship is a continual process; and His Majesty and the Ministers in the Government of Nepal agreed that our two countries must maintain intimate contacts. I, therefore, suggested to His Majesty that He and Her Majesty the Queen may honour us with a visit in the near future and I am glad that His Majesty was good enough to favour the suggestion.

For two good friends, which Nepal and India are, it is essential to look to each other with faith and trust, for understanding, sympathy and help.

Shri S. M. Banerjee [Independent]: I want to know this. While addressing the press conference in Kathmandu, the Honourable Home Minister, as reported in the press, has said that differences with the Nepal Government are not of a big nature. I want to know how far these differences have been narrowed down by the discussions and what are the actual differences which remain to be solved?

Shri Lal Bahadur Shastri: I do not think we need go into those matters. There were, as I said, some minor matters and some important matters also. We have discussed with them. I do not think it will be possible to disclose all our talks here.

Shri Hari Vishnu Kamath [Praja Socialist Party]: During the talks which the sweet and suave negotiator, the Home Minister, had with the King, Ministers and other people in Kathmandu and its environs, did he get the impression that Nepal was, and is being, subjected to blandishments and pressure by China, and if so how and in what manner are the Government and the people of Nepal reacting to it?

Shri Lal Bahadur Shastri: I was not told so either by the Ministers of Nepal, nor did His Majesty mention anything about that.

Shri Hari Vishnu Kamath : The question was, did he get the impression or not from the talks?

Mr. Speaker : It was about the talks?

Shri Hari Vishnu Kamath: During the talks, did he get the impression?

Mr. Speaker: The question is confined to the talks that he had. Therefore, he says....

Shri Hari Vishnu Kamath: Talks in a vacuum? I plead with you—talks take place in an atmosphere.

Mr. Speaker: Mr. Kamath would not insist on the disclosure of certain things that probably the Home Minister might not like. He should not insist.

Shri Hari Vishnu Kamath: If he had said that it is not in the public interest to disclose, I would accept that.

Mr. Speaker: I am sure he understands the attitude of the Home Minister.

Shri Daji [Communist Party of India]: May we understand that as a result of the discussions, the attitude of the press in Nepal, particularly regarding anti-Indian propaganda, shall cease and we shall have a good friendly press there?

Shri Lal Bahadur Shastri: I made a request in the press conference itself in Kathmandu. All the representatives of the Nepal press were there. I might also add that some of the papers in Nepal are not of much importance. It is regrettable that those papers which have practically no or very small circulation and things appearing in those papers are quoted in India. It would be advisable that the Indian papers also do not quote what appears in those papers.

55. Speeches of King Mahendra and Dr. S. Radhakrishnan at a banquet, New Delhi, August 29, 1963

King Mahendra's speech:

WE are all very happy to welcome you at this banquet held in honour of His Excellency the President of India. The frontiers of Nepal and India are contiguous for hundreds of miles. Since ages past, the peoples and governments of these two countries have been living in an atmosphere of mutual goodwill and co-operation. To our mind, there is no reason why this relation of peace and friendship cannot be further strengthened for all time to come if honest efforts are made towards it by the peoples and the governments of the two countries, on a basis of equality and mutual respect for each other's equal rights. It is always possible to achieve this goal because there have ever existed good and uninhibited relations between our two countries in a number of fields. We are also grateful to you for the facilities afforded to our students to study in your educational institutions. Given goodwill and mutual co-operation, we feel no difficulties would be encountered in solving all the problems that could possibly spring forth or be caused to arise between our two countries. That is why Nepal has long been advocating uninhibited, free and frank exchange of views to avoid possible bitterness in our relations with each other.

As it is a matter of joy and happiness for all of us to perceive hopeful signs of efforts being made by the big powers to decrease tension in the interests of world peace, so also it would be a matter of regret and sorrow to see tension prevailing in one's neighbourhood and Nepal is equally firm and will remain always firm in her belief that the only friendly policy is the policy of complete non-interference by one nation in the affairs of others.

In consonance with the traditions of the country and the interests of her people, Nepal is today wholeheartedly engaged in her own programmes of progress and development in her own manner within the frame-work of the partyless Panchayat system. We have neither time nor inclination to get enmeshed in the disputes and conflicts of others. We desire to strengthen the ties of friendship with all States including our neighbours. We have always welcomed with gratitude open-minded co-operation and assistance from friendly countries desiring to help us in our programmes of development.

We are glad to announce the happy news that His Excellency the President of India has kindly accepted our invitation to pay us a visit in Kathmandu and His Excellency's Nepal visit is to take place soon. We are confident that visits like this will result in greater friendship between our two countries. Now, ladies and gentlemen, I have pleasure in proposing a toast to the health, happiness and long life of the President of India and the prosperity of the people of India and her leaders.

President Radhakrishnan's speech :

Your Majesties, Your Excellencies, ladies and gentlemen: I am grateful to Your Majesty for the very kind words you have expressed. We are sorry that you are leaving us tomorrow morning. You came day before yesterday. Tomorrow morning you leave us. Your stay has been very brief and yet

I hope you are able to feel the warmth of affection and goodwill which the people of our country have for you and the people of Nepal.

I went down today to see the Nepalese Exhibition of Arts and Crafts. I saw there the striking similarities between our own arts and crafts and those of Nepal. Some of the things which struck me, which I thought would be of some use to us even in this late age, I saw there the figure of Narada, one of our legendary figures always carrying tales from one to another, poisoning the minds of people, creating confusions and conflicts and misunderstandings. I hope our two countries will avoid listening to Narada's voice. I saw again there the Mahishasuramardini, the figure of the Devi which calls upon us to suppress our own baser instincts, raise our spirit and try to lead a tranquil kind of life. The beast is not outside us but it is in us and the suppression of the beastly instincts in us is very essential for any kind of civilised life. Unless we are able to govern ourselves, we cannot govern others. Therefore, wise leadership consists in self-control and anticipating of events that are ahead of us. We must anticipate events, forestall what is likely to happen, recognise the trends and developments of the world in which we live and make our people adjust themselves to those things. The whole world today is passing through a great social and economic revolution. Both our countries are in the middle of that revolution. They are unfinished. They are still at work and if we want to introduce peace and prosperity among our own people, what we have to do is to see to it that this social equality and economic equality for which all people are crying in all parts of the world, are satisfied. This hunger for equality, for self-respect, for dignity—this is a thing which is now coming up in all parts of the world and we have to recognise these emerging impulses and satisfy them.

With a compact population of about 10 millions, with these principles of social and economic equality on which Nepal Government under the guidance of His Majesty, the King is now embarking—if these things are carried out, you will have contented people and that contentment is the basis of political stability, security. I have no doubt that these will be done. And if there is any manner in which this country can help you, I have no doubt our Prime Minister would have assured you of all the assistance of which we are capable. I therefore feel that this friendship between our two countries will be an enduring one because it is based on community of ideals, community of interests and purposes. It will be an enduring one and Nepal and India will stand together in facing the new challenges which the world is throwing at us.

May I request you to drink to the health of Their Majesties, the King and Queen of Nepal and enduring friendship between India and Nepal.

(Foreign Affairs Record : IX (8) : August 1963 : 166-67)

56. Joint communique issued at the end of King Mahendra's visit to India, New Delhi, August 30, 1963

ON the invitation of the President of India, Their Majesties, the King and Queen of Nepal paid a State visit to India from 27th to 30th August, 1963. Also accompanying Their Majesties were Dr. Tulsi Giri, Chairman of

the Council of Ministers, and Mrs. Giri. Their Majesties are leaving for Kashmir on an informal visit. Their Majesties will be visiting other countries till September and will spend a few more days informally in India on their homeward journey visiting Bombay, Poona and Gwalior.

Their Majesties received a warm and affectionate welcome during their stay in New Delhi. They attended several functions organised in their honour. Their Majesties will, during their Kashmir stay, be going on a pilgrimage to Amarnath.

While in Delhi, His Majesty had friendly and informal exchange of views with the President and with the Prime Minister on matters of mutual interest. His Majesty had also talks with the Ministers of Home Affairs and Defence of the Government of India. The discussions covered a wide range of subjects of common interests to Nepal and India and the current international situation.

His Majesty and the Prime Minister agreed that maintenance of peace and peaceful conditions was essential for the well-being of all developing countries. In this context, they welcomed the agreement on the nuclear test ban treaty as the first step towards relaxation of international tensions and agreement on general and complete disarmament which is a matter of vital concern to the whole of humanity.

His Majesty and the Prime Minister reviewed the progress in the execution and administration of development projects undertaken in Nepal by the two Governments. They agreed that this collaboration should continue and be extended to other fields in accordance with the desire of His Majesty's Government, through the governmental agencies and otherwise. The Prime Minister conveyed to His Majesty the agreement of the Government of India to extend assistance for the construction of Sonauli-Pokhara road¹, which will connect the State of Uttar Pradesh in India with the regions of West and Central Nepal.

In the course of the discussions, His Majesty acquainted the President and the Prime Minister with the progress made by Nepal and also with the objectives of social and economic reforms sought by Nepal to be achieved through the medium of the Panchayat system by the actual participation of the people. The Prime Minister described to His Majesty the progress made in India under the current Third Five-Year Plan² particularly in the field of community development, co-operation and panchayats.

His Majesty expressed Nepal's sense of gratitude to the Government of India for their co-operation and assistance for the development of Nepal. He explained the need for the diversification of Nepal's trade and commerce for her developing economy and stressed that freedom of unrestricted transit is of vital interest to Nepal. The Prime Minister expressed the hope that trade between India and Nepal will continue to expand on the basis of the most favoured nation treatment by both sides and reassured His Majesty of the Government of India's continued readiness to assist Nepal in all possible ways in furtherance of His Majesty's plans for social and economic development of the country.

¹ Agreement signed on August 25, 1964.

² 1960-65.

His Majesty and the President and Prime Minister agreed that frank exchanges of views helped to promote a better understanding and contribute further towards cementing the good relations between the two countries. They further agreed that such personal contacts at different levels from time to time should be maintained as they were necessary for nourishment of the traditional bonds of friendship between the two countries in keeping pace with the changing situation of this region and the world at large. His Majesty believed that the President's forthcoming State visit to Nepal would contribute much towards further cementing these bonds of friendship.

The President and the Prime Minister welcomed the opportunity afforded by the visit of Their Majesties for renewal of the personal contacts which they value. The President informed His Majesty that he was greatly looking forward to his own forthcoming visit to Nepal.

(Foreign Affairs Record : IX(8) : August 1963 : 167-68)

57. Joint communique issued at the end of Dr. Radhakrishnan's visit to Nepal, Kathmandu, November 8, 1963

ON the invitation of His Majesty, the King of Nepal, the President of India, Dr. Sarvepalli Radhakrishnan, paid a 4-day visit to Nepal from November 4 to November 8. His Majesty welcomed this visit of the President of India and expressed his satisfaction at this visit which would further help in cementing the bonds of friendship between India and Nepal.

The President was deeply touched by the kindness and courtesy of Their Majesties and His Majesty's Government and by the warm and affectionate welcome accorded to him by the people of Nepal. He attended several functions organised in his honour in Kathmandu, Bhaktapur, Pokhra and Patan. The President was impressed by the efforts His Majesty's Government is making to promote Nepal's economic and social advancement and by the desire of the Government and the people of Nepal to further strengthen the cordial and friendly relations happily existing between Nepal and India. During his visit, the President saw some of the development projects which will undoubtedly add to Nepal's prosperity and advancement. He assured His Majesty that India would continue to extend to Nepal all possible co-operation in the task of Nepal's economic development and social advancement.

The President took the opportunity of his visit to have friendly and informal exchanges of views with His Majesty on matters of mutual interest. The President had also talks with the Chairman of Nepal's Council of Ministers, Dr. Tulsi Giri, and with His Majesty's other Ministers. These discussions indicated a similarity of approach in regard to social, economic and international problems.

The two Heads of States re-affirmed that Nepal and India have a vital interest in each other's well-being, independence and integrity. They agreed that personal contacts at different levels between the two countries, which had been reinforced by Their Majesties' recent visit to India, should be maintained with a view to further strengthening the traditional bonds of friendship between the two countries. The President expressed his gratitude for the warm

and affectionate welcome and the generous hospitality accorded to him during his visit.

(*Foreign Affairs Record*: IX(11) : November 1963 : 260-61)

58. Joint communique issued at the end of Mr. Swaran Singh's visit to Nepal, Kathmandu, August 25, 1964

AT the invitation of His Excellency Shri Kirtinidhi Bist, Minister of Foreign Affairs, His Majesty's Government of Nepal, Sardar Swaran Singh, Minister of External Affairs in the Government of India, accompanied by the Foreign Secretary and senior officials of the Government of India, visited Kathmandu from August 23 to August 25, 1964.

During his stay in Kathmandu, the Minister of External Affairs conveyed to His Majesty, His Majesty's Government and the people of Nepal the greetings and good wishes of the President, the Prime Minister and the Government and people of India. His Majesty's Government welcomed the visit of India's Minister of External Affairs as a further step in the strengthening of the most cordial and friendly relations between the two countries. The Minister of External Affairs expressed his gratification that his first visit to a foreign country in his capacity as Foreign Minister was to Nepal, India's closest and most friendly neighbour. He thanked the Foreign Minister of Nepal and His Majesty's Government for their kind invitation and expressed his deep gratitude to the Government and people of Nepal for the warm and affectionate welcome accorded to him and his party.

The Minister of External Affairs was graciously received by His Majesty the King of Nepal on the afternoon of August 23, 1964. He had friendly and informal exchange of views with the Chairman and the Vice-Chairman of His Majesty's Council of Ministers, the Foreign Minister and the Minister of Commerce and Industry of Nepal. These talks covered a wide variety of subjects of interest to Nepal and India as well as the current international situation as it affects the two countries.

These talks took place in an atmosphere of great cordiality and mutual understanding and highlighted the friendship, the basic unity, and the identity of approach on international issues based on the policy and principles of non-alignment and peaceful co-existence, which characterise the relations between the two countries and their respective governments. It was recognised that Nepal and India are bound by ties of geography, history and culture and that the two countries have a vital interest in each other's welfare, prosperity and strength¹.

On behalf of the Prime Minister, the Minister of External Affairs invited the Chairman of the Council of Ministers to pay a visit to India and the Chairman was pleased to accept the invitation. The visit will take place on

¹ Mr. Swaran Singh told a news conference on August 25 in Kathmandu that "Our friendship with Nepal is so close that the form of government that is here is not a matter about which we offer any criticism. In fact, as to what form of government suits what country according to its requirements or interests is a matter primarily for the country concerned to consider and adopt. We have nothing but a feeling of goodwill for the Government of Nepal."

a date to be decided to suit the convenience of both Governments. The Minister of External Affairs also extended an invitation to His Majesty's Minister of Foreign Affairs to visit India at his convenience as soon as possible. The invitation has been accepted by the Foreign Minister, and it is hoped that he will visit India in the near future.

The details of an agreement concerning the execution of the Sonauli-Pokhara road were negotiated and the agreement signed on the morning of August 25. The work on the project, which will be constructed by an agency of the Government of India at a cost of Rs. 9.11 crores (Indian currency), is to commence in October this year. It is expected that the project will be completed by December, 1968.

Among other things, the Minister of External Affairs and the Minister of His Majesty's Government discussed questions relating to supplies of essential materials such as iron and steel to Nepal from India. The Minister of External Affairs assured His Majesty's Government of India's anxiety to meet Nepal's needs to the greatest extent possible. As a result of these discussions, the supplies of iron and steel and transport vehicles, which are needed in Nepal, will be very considerably augmented and the speed of supplies accelerated.

His Majesty's Ministers and the Minister of External Affairs reviewed the progress of development projects being constructed in Nepal with Indian co-operation. It was agreed that the two Governments should undertake a periodic review of such development projects with a view to ensuring their expeditious implementation. The first such review will take place in October 1964, when a delegation of the Government of India will visit Kathmandu for the purpose. The Minister of External Affairs assured His Majesty's Government of India's continuing interest in Nepal's rapid advancement and that such further assistance and co-operation as was in India's power to give would be made available to Nepal after 1966 when India's present programme of assistance comes to an end. The development projects to be undertaken with India's co-operation and assistance during the five-year period 1966-1971 will be determined in consultation between the two Governments.

The position concerning matters relating to facilities for transit across India for Nepal's trade with third countries was also reviewed. The Minister of External Affairs conveyed to His Majesty's Government the desire of the Government of India to help Nepal in every possible way. The Government of India would sympathetically consider the suggestions made by His Majesty's Government in this matter in the course of the talks. These matters will be further considered at the talks scheduled to take place in Kathmandu in October 1964, between the delegations of the two countries.

His Majesty's Ministers and India's Minister of External Affairs welcomed the opportunity afforded by the latter's visit for a renewal of valuable personal contacts between the two Governments at Ministers' level. They are of the view that the outcome of the talks, which were marked by cordiality, friendliness, understanding and sincerity on both sides, has been most satisfactory and that these exchanges should take place in the future as frequently as possible. The Government of India look forward to the

forthcoming visits of the Chairman of the Council of Ministers and the Foreign Minister of Nepal.

(*Foreign Policy of India, Text of Documents* : Lok Sabha Secretariat : New Delhi : 1966 : 353-55)

59. Letter of King Mahendra to Mr. M. S. Golwalkar, Chief of the Rashtriya Swayam Sewak Sangh informing him of his inability to attend the "Makar Sankrant" rally of the Sangh, Kathmandu, January 11, 1965

I had decided to attend in person the Hindu Cultural rally of the *Rashtriya Swayam Sewak Sangh* to be held at Nagpur on the sacred day of "Makar Sankrant" this year. I extremely regret to inform you that, on account of various unavoidable circumstances of which you are aware¹, it would not be possible for me to attend the same.

I do hope you will kindly understand my difficulties and also appreciate how ruffled are my feelings in not being able to attend it as a Hindu. However, I am sending a message of good wishes and I shall be grateful if you will please read it out for me to the assembled rally.

(*National Diary* : II(1) : 1965 : 426)

60. Joint communique issued at the end of Mr. Kirti Nidhi Bist's visit to India, New Delhi, February 7, 1965

At the invitation of the Minister of External Affairs in the Government of India, Sardar Swaran Singh, His Excellency Shri Kirti Nidhi Bist, Vice Chairman of the Council of Ministers and Foreign Minister of His Majesty's Government of Nepal paid a visit to India from January 25 to February 7, 1965. After a short stay in New Delhi, His Excellency the Foreign Minister, accompanied by the Royal Nepalese Ambassador to India and officers of His Majesty's Government visited some development projects and industrial establishments and other places of interest in India.

While in New Delhi, His Excellency Shri Kirti Nidhi Bist witnessed the Republic Day celebrations on January 26. He was received by the President and had a friendly and informal exchange of views with the Prime Minister², the Home Minister³ and the Commerce Minister⁴ of India on subjects of mutual interest to the two countries.

¹ Mr. Golwalkar told the rally on January 14, that the cancellation "must be the result of pressure" from the Government of India. The Nepalese and the Indian Foreign Office spokesmen made contradictory statements : the Nepalese Foreign Office spokesman was reported to have said that the cancellation of the visit was at the instance of the Government of India, while the Indian spokesman had said that it was the Nepal King's own decision. On January 20, Prime Minister Lal Bahadur Shastri told newsmen in Delhi that the Nepal King's decision not to attend the R.S.S. rally in Nagpur was "naturally" his own. But the King said in Kathmandu on January 27 that he had abandoned his Nagpur visit as a "gesture" of goodwill, as he was given the impression that his visit "might create an embarrassing situation to the Indian Government".

² Shri Lal Bahadur Shastri.

³ Shri Gulzari Lal Nanda.

⁴ Shri Manubhai Shah.

The talks between His Excellency, the Foreign Minister and the Indian Minister of External Affairs covered a wide variety of subjects of interest and concern to the governments and peoples of India and Nepal. The two Ministers exchanged views about the current international situation as it affects India and Nepal. Questions pertaining to the maintenance and strengthening of world peace, with special emphasis on developments in Asia and South-East Asia figured prominently in these talks, which were marked by cordiality and understanding and a broad measure of unity and identity of purpose and approach which characterise the relations between Nepal and India.

Various aspects of Nepal's development programmes and India's economic and technical assistance and co-operation in His Majesty's Government's endeavours to accelerate the pace of Nepal's economic and industrial progress and social advancement were also discussed between the two Ministers. His Excellency the Foreign Minister mentioned His Majesty's Government's desire for India's co-operation and assistance, in appropriate ways, to ensure further progress on the Karnali Hydel Project. His Excellency also raised the question of the free flow of goods manufactured by Nepal's newly established industries into India. The Minister of External Affairs reassured His Excellency of India's desire and anxiety to extend co-operation and assistance to His Majesty's Government in all possible ways. It was agreed that the manner and extent which the two countries could co-operate in carrying forward the work on the Karnali Project should be discussed between the experts of the two countries at a suitable time. The Minister of External Affairs further suggested that the two Governments should jointly consider ways and means of harnessing, to the maximum advantage of both countries, the natural resources of which they are joint beneficiaries.

His Excellency the Foreign Minister recalled the traditional bonds of fraternal kinship between the two countries and gave expression to the determination of the Government and people of Nepal under the leadership of His Majesty, the King to nurse and strengthen these historic ties in all possible ways. The Minister of External Affairs reciprocated these sentiments on behalf of the Government and people of India and further assured His Excellency of India's abiding interest in the welfare, progress and prosperity of Nepal. The Minister of External Affairs gave expression to Government of India's gratification that it had been possible for His Excellency the Foreign Minister of Nepal to visit India and hoped that other Nepalese dignitaries would also visit India from time to time as these visits help further strengthen the co-operation and the most cordial and friendly relations subsisting between the Governments and peoples of Nepal and India.

(Foreign Affairs Record : XI(2) : February 1965 : 38-39)

61. Joint communique issued at the end of Mr. Lal Bahadur Shastri's visit to Nepal, Kathmandu, April 25, 1965

At the invitation of Their Majesties the King and Queen of Nepal, the Prime Minister of India and Shrimati Shastri paid a goodwill visit to Nepal from April 23 to April 25, 1965. The Prime Minister was accorded a warm

and affectionate welcome in Nepal. His Majesty's Government and the Government of India regard the Prime Minister's visit as an important step in the further strengthening of the friendly relations existing between the two countries.

The Prime Minister conveyed to His Majesty the cordial greetings and good wishes of the Government and people of India. His Majesty on his part expressed his heartfelt greetings and good wishes to the Government and people of India. The Prime Minister took advantage of his visit to review with His Majesty the King and the Chairman of His Majesty's Council of Ministers the world situation in general and developments in Asia in particular. These discussions were marked by cordiality and understanding and broad measure of unity and identity of purpose and approach which characterize the relations between Nepal and India. His Majesty and the Prime Minister reaffirmed their faith in the policies and principles of non-alignment and peaceful co-existence, which they have faithfully and vigorously pursued and which were reiterated by the recent Conference of Non-aligned Countries at Cairo.

His Majesty and the Prime Minister, while recognising and reaffirming their faith in the traditional kinship and bonds of history, geography and culture which bind together the people of the two countries, noted with satisfaction the growing sense of partnership between them in developmental activity. They expressed their determination to continue to strengthen this co-operation with a view to providing for their peoples the innumerable benefits of modern science and technology.

The Prime Minister was happy to observe the progress that Nepal is making in the economic, social and other spheres. He expressed the Government of India's readiness to continue to assist and co-operate in Nepal's accelerated development.

Their Majesties and the Chairman of the Council of Ministers, accompanied by the Prime Minister and Shrimati Shastri, visited the Kosi Barrage, which His Majesty graciously inaugurated on April 24. The Prime Minister laid the foundation of the Western Kosi Canal. These two projects are symbolic of the joint efforts of the two countries to provide in co-operation with each other a better and fuller life for their peoples.

The Prime Minister, on behalf of the President of India, extended an invitation to Their Majesties the King and Queen of Nepal to pay a visit to India this year. Their Majesties have graciously accepted the invitation. The Prime Minister also extended his invitation to the Chairman of the Council of Ministers to visit India at his early convenience. The Chairman of the Council of Ministers, Shri Surya Bahadur Thapa, has accepted the invitation with pleasure. The dates of the visits will be decided after further consultation between the two Governments.

(Foreign Affairs Record : XI(4) : April 1965 : 77-78)

62. Statement of Mr. Lal Bahadur Shastri on his visit to Nepal in Parliament, New Delhi, May 11, 1965

MR. SPEAKER, Sir, several months ago, His Majesty the King of Nepal kindly invited me to pay a visit to Kathmandu. I went there on April 23 for

a short visit of about two days. As I said in Nepal, there are no problems of any importance or consequence between our two countries; and our relations with Nepal are in a very good and healthy state. My visit to Nepal was, therefore, a goodwill visit in every sense of the phrase.

His Majesty's Government and the people of Nepal accorded us a warm and affectionate reception. This is symbolic of the friendship of the Government and people of Nepal for our Government and people. I should like to take this opportunity of thanking His Majesty's Government for the hospitality they extended to us.

I had the opportunity of cordial and friendly exchange of views with His Majesty and with the Chairman of His Majesty's Council of Ministers, Shri Surya Bahadur Thapa. We exchanged views on the world situation and the recent developments in Asia, and I am glad to inform the House, that as stated in the joint communique issued on the conclusion of my visit to Nepal, these talks were characterised by a "broad measure of unity and identity of purpose and approach" on all these matters. His Majesty's Government agree with us that so far as the developing countries of the world including Nepal and India, are concerned, there is no acceptable alternative to the policies and principles of non-alignment and peaceful co-existence, which we have pursued hitherto.

I was glad to see that Nepal is making progress in the economic, social and other spheres of her national life. I am glad to inform the House that His Majesty's Government are appreciative of the assistance which we have been able to extend. The numerous projects being constructed in collaboration with ourselves are making rapid progress and the Government of Nepal conveyed to me their satisfaction at the speed of progress on these projects.

His Majesty the King inaugurated the Kosi Barrage on April 24 at a moving ceremony at the Barrage site which was attended by a vast number of people of India as well as Nepal. This project is an impressive symbol of Indo-Nepal co-operation in removing hunger and poverty and in bringing a better and a fuller life within the grasp of our two peoples. I laid the foundation of the Kosi Canal during the same ceremony.

In conclusion, I am glad to say that I have returned from Nepal reinforced in my belief that the friendship between our two countries is lasting. Trust and sympathy are the hall-mark of our relations with Nepal. Goodwill between the two countries and their peoples is plentiful, and the desire for co-operation for mutual benefit is all too evident. Because of the geographic juxta-position of the two countries and the numerous other bonds that tie them together, the dealings between our two Governments are extensive. In the course of the conduct of these relations at all levels, some minor difficulties are bound to be experienced by one side or the other, but there is no reason to think, that these difficulties cannot be resolved in mutual consultation to the satisfaction and advantage of both countries. In fact, that is happening every day. Apart from high level visit and consultations, the officials of the two countries meet practically every other month to resolve these minor difficulties as they arise and to promote and carry forward the co-operation which is vital to both countries.

I have extended an invitation to His Majesty the King to visit India and he has graciously accepted our invitation. I have also invited Shri Thapa,

Chairman of the Council of Ministers, to visit our country and he has very kindly agreed. We shall look forward to their visits.

(*Foreign Affairs Record* : XI(5) : May 1965 : 96-97)

63. Interview granted by King Mahendra to the Nepalese Correspondents, Kathmandu, May 23, 1965 (Excerpts)

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Mr. Tirtha Raj Tuladhar : *Nepalese Perspective* (Weekly)

Question: Does Your Majesty feel that in view of the national interest a situation exists calling for a check to the privilege enjoyed by the Indian citizens to reside freely in Nepal and to compete with Nepalese citizens in every occupation? Your Majesty might be aware of the fact that the problem of dual citizenship is connected with it.

Answer: Dual citizenship can never be recognized. The privileges granted by the Constitution, law and act can be enjoyed. But no country under any circumstances can afford to give privileges to foreigners at the cost of the interests of her own nationals.

Question: Would Your Majesty be pleased to comment on the view that the national interest cannot be completely protected by the encouragement offered to the investment of foreign private capital under the current industrial policy?

Answer: We are in the initial stage, so privileges have been granted to both the parties but more facilities are granted to our own people. Later, even more encouragement will certainly be given to our own people gradually.

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Mr. Shivahara Singh 'Pagal' : *Naya Samaj* (Weekly)

Question: The controversy with India over the Narsahi forest¹ has yet to be settled. In addition, Indian newspapers are saying that some other parts of Nepal also belong to India (vide *Aja*, April 3, 1965). Such Indian postures are making Nepalese intellectuals doubt the genuineness of India's professions of friendship. If Nepalese newspapers exercise their freedom in voicing their views of India and these are not liked by the Government of India, the latter lodges complaints with His Majesty's Government. But His Majesty's Government does not take necessary action in regard to such objectionable news published in Indian newspapers. Is this right, Your Majesty?

Answer: I do not think His Majesty's Government has failed to lodge a protest whenever India has perpetrated an unfriendly act against our country. But Nepalese people are not in the habit of responding to one wrong with another wrong.

* * * * *

Question: India has generally failed to fulfil her obligations regarding the treaties and agreements entered into with Nepal. As for example, no

¹ See page 82.

India-aided project has been fulfilled within schedule, Nepalese people face great difficulties in the transit of goods via India. May I have Your Majesty's views on this question?

Answer: I am not quite sure as to whether India has fulfilled her obligations with regard to the treaties and agreements between India and Nepal. But as regards the transit difficulties, efforts have been made from our side, some of them quite recently and it can be hoped that such difficulties will be eliminated in the near future.

(*King Mahendra, Pages of history : Series V : 120 47*)

64. Speech of King Mahendra at a banquet, New Delhi, November 25, 1965

WE are all delighted to have the opportunity today to meet you all on this happy occasion.

I am very grateful to His Excellency the President of India for giving us this opportunity. I hope, nay I am certain, that the present friendly relations between our two countries will be further consolidated by this get-together.

We also firmly believe that ceaseless efforts should be made to strengthen the friendly ties between Nepal and India by both the countries. Ties between the two nations can be maintained only through the ways of friendship and co-operation.

In the world today, progress and development of all is possible only when there is peace everywhere. Hence the grave concern was shown by Nepal and the Nepalese at the sudden news of fighting¹ between her two close neighbours, India and Pakistan.

Although peacefulness has its limits, we also believe no lasting solution to any problem can be achieved by way of war alone. In comparison with it, the ideals of peace and friendliness are far more lofty.

When there is a conflict between two neighbouring States, Nepal is of the opinion that, instead of taking sides, the realities of the situation should be borne in mind and greater stress should be laid on re-establishing friendship between the two.

If we are unable to live as peaceful neighbours, we shall have no moral justification to speak for peace in other parts of the world. This is a point worth careful consideration by all today. I believe that we should all pay more attention to the maintenance of a peaceful atmosphere in this region, so that every country may be enabled to expedite its progress and development.

Nepalese people always desire the progress and development of India. Nepal has respect for the peace-loving tradition of India and does not like to see it broken at any inopportune moment.

This time also we are scheduled to visit some other parts of India. We are proud of the progress made by India in the spheres of industry and other development works. We always desire that all the people of India should be educated and prosperous.

(*Foreign Affairs Record : XI(11) : November 1965 : 344-45*)

¹ Indo-Pakistan conflict of September, 1965.

65. Joint communique issued at the end of King Mahendra's visit to India, New Delhi, December 20, 1965

At the invitation of the President of India, Their Majesties the King and Queen of Nepal paid a State visit to India from November 25 to December 19, 1965. Their Majesties were accompanied by Rt. Hon'ble Kirti Nidhi Bist, Vice-Chairman of the Council of Ministers and Foreign Minister, Smt. Bist, Rt. Hon'ble Khadga Bahadur Singh, Minister without portfolio, General Sher Bahadur Malla, Principal Military Secretary to His Majesty, Bada Kaji Pushpa Raj, Principal Personal Secretary to His Majesty and other officials of His Majesty's Government. The Royal Party latter proceeded on a tour of other places of economic, cultural and religious interest in the country and visited a number of important development projects, including Bhakra Dam, Nangal Fertiliser Factory, Atomic Energy Establishment at Trombay, the Hindustan Aeronautics at Bangalore, the Integral Coach and Heavy Vehicles Factories at Madras and the Hindustan Ship Building Yard at Visakhapatnam. They also visited the holy temples in Varanasi, Mathura-Brindaban, Mysore, Nasik, Kanyakumari, Rameshwaram, Madurai, Kancheepuram, Puri and Bhubaneshwar. The Banaras Hindu University conferred the Honorary Degree of Doctor of Letters on His Majesty at a special convocation. The distinguished guests returned to Nepal from Patna on December 20, 1965.

Their Majesties received a warm and affectionate welcome during their stay in New Delhi. They attended several functions organized in their honour and visited places of interest in the capital. People in other parts of the country also received Their Majesties in large numbers with great warmth and cordiality. Their Majesties were deeply touched by this spontaneous and affectionate welcome throughout their tour. This visit of Their Majesties has, indeed, been a great landmark in the history of Indo-Nepal friendship.

While in New Delhi, His Majesties had friendly and informal exchange of views with the President and the Prime Minister on matters of interest and concern to India and Nepal. His Majesty and the Prime Minister also reviewed the prevailing international situation. These discussions were marked by complete understanding and identity of views between the two countries.

NON-ALIGNMENT

His Majesty and the Prime Minister reaffirmed their faith in the policies and principles of non-alignment and peaceful co-existence and also restated that the principle of self-determination can apply only to dependent and Trust Territories and cannot be extended to integral parts of sovereign States. They agreed that these policies have contributed to the preservation of peace in the world and have promoted the concept of equality among sovereign States, big or small. His Majesty and the Prime Minister reiterated their belief in the peaceful settlement of all problems without resort to the use or threat of force.

INDO-PAK DIFFERENCES

The Prime Minister gave a resume of events leading to the armed conflict which started, as recognised in the reports of the Secretary-General to the Security Council with the massive infiltration of trained and armed Pakistani personnel in Kashmir on August 5, 1965, and subsequently. His Majesty and the Prime Minister agreed that Indo-Pakistan differences should be resolved between India and Pakistan in a peaceful manner without interference from third parties.

INDO-NEPAL RELATIONS

His Majesty and the Prime Minister reviewed Indo-Nepal relations which are based on close bonds of history, geography and culture and a community of views and interests between the two countries. They expressed satisfaction at the continuing growth of co-operation and partnership in diverse fields of activity to the mutual benefit of both countries. The Prime Minister expressed his gratification that Nepal had successfully completed its Second Plan of Economic Development and launched the Third-Five-Year-Plan and indicated India's continuing assistance and co-operation in the implementation of the Plan. His Majesty expressed satisfaction at the rate of progress on India-aided projects now under construction in Nepal.

The President and the Prime Minister welcomed the opportunity provided by the visit of Their Majesties for renewal of personal contacts which they value. To further promote these contacts at the highest level and friendly exchange of views in future His Majesty extended an invitation to the President of India to visit Nepal at any convenient time. The President thankfully accepted the invitation. The date of the visit to Nepal by the President would be decided according to the convenience of both the sides.

(Foreign Affairs Record : XI (12) : December 1965 : 370)

66. Joint communique issued during Mr. Soorya Bahadur Thapa's visit to India, New Delhi, April 15, 1966

At the invitation of Her Excellency, Shrimati Indira Gandhi, Prime Minister of India, His Excellency, Shri Soorya Bahadur Thapa, Chairman of the Council of Ministers, His Majesty's Government of Nepal, accompanied by Shrimati Thapa, arrived in New Delhi on the 11th April on an official visit to India. Shri Jharendra Narayan Singha, Foreign Secretary, Shri Bhekh Bahadur Thapa, Economic Planning Secretary, and other officers of His Majesty's Government of Nepal are also accompanying Chairman Thapa.

Chairman Thapa and his party received a warm and affectionate welcome in Delhi. The Chairman was accorded a Civic Reception at the historic Red Fort on April 12. He also attended receptions given in his honour by the Bharat Nepal Yuvak Maitri Sangh and the Indo-Nepal Friendship Association. On April 14, the Chairman received the degree of Doctor of Letters at a special convocation of the University of Kurukshetra. The Chairman and his party have proceeded on a tour of several places of

economic, cultural and religious interest in different parts of India; they will return to Kathmandu from Patna on April 28.

During their stay in Delhi, Chairman Thapa and Shrimati Thapa were received by the President of India. The Prime Minister and the Chairman reviewed the international situation with special reference to the developments in Asia and Africa. Among the questions discussed were Vietnam and general and complete disarmament. The discussions, which were held in an atmosphere of the greatest friendship, goodwill and mutual confidence showed that there were no serious problems between the two countries and that there was complete understanding and identity of views between them on important issues. The Prime Minister and the Chairman reaffirmed their dedication to the principles of peaceful co-existence, non-alignment and international co-operation. They endorsed the United Nations Declaration on the Inadmissibility of Intervention in the Domestic Affairs of States and the Protection of their Independence and Sovereignty. The Prime Minister and the Chairman further reiterated the conviction of the Governments of India and Nepal in the settlement of all international disputes by peaceful means without resort to the threat or use of force.

The Prime Minister and the Chairman viewed with concern the widening gap in the standards of living of the peoples of developed and developing countries. They hoped that their delegations would work closely together, along with other developing countries, in order to secure effective implementation of the resolutions of the United Nations Conference on Trade and Development.

The Prime Minister explained to the Chairman the position regarding the implementation of the Tashkent Declaration¹ and reaffirmed India's adherence to the Declaration and resolve to build up its relations with Pakistan on the basis of that Declaration. The Chairman appreciated this and expressed his conviction that the Tashkent Declaration opened the way for peaceful and good-neighbourly relations between India and Pakistan.

The two sides reviewed with satisfaction the fruitful development of relations between India and Nepal. The Chairman and the Prime Minister expressed satisfaction with the growing economic and technical co-operation between the two countries. The Chairman conveyed to the Prime Minister and her colleagues His Majesty's Government's appreciation of the assistance and co-operation extended by India in the task of Nepal's economic and social development in the last decade. He expressed satisfaction at the progress achieved in the implementation of India-aided projects in Nepal. He explained the scope of Nepal's Third Development Plan and expressed the hope that co-operation between the two countries will continue.

The Prime Minister welcomed the progress achieved in Nepal in recent years and renewed assurances of India's deep interest in Nepal's continuing progress and prosperity. She indicated that in the period of India's Fourth Plan, the Government of India would be willing to extend suitable assistance and co-operation in Nepal's economic development.

The Chairman also had discussions with the Home Minister, the Ministers of External Affairs, Finance, Commerce and the Minister of Planning on

¹ Signed by India and Pakistan at Tashkent (USSR) in January 1966 after the Indo-Pak Conflict of September 1965.

many matters in which the two countries share a community of interests and aspirations.

On behalf of His Majesty the King of Nepal and on his own behalf Chairman Thapa extended an invitation to the Prime Minister to pay a visit to Nepal. The Prime Minister accepted the invitation with great pleasure.

(*Foreign Affairs Record* : XII (4) : April 1966 : 115)

67. Speeches of King Mahendra and Mrs. Indira Gandhi at a banquet, Kathmandu, October 4, 1966 (Excerpts)

Speech of King Mahendra:

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NEPAL and India are two neighbouring and friendly countries. This friendly relation is not a recent development. This is an age-old relation and has acquired historic significance. This relation of mutual friendship is a necessity for both our countries. I am confident that the friendly goodwill and co-operation subsisting between our two countries will be further strengthened under your able leadership and this visit of yours will also have a similar effect.

We, Nepalese, always desire peace, happiness and prosperity of our friends. We are always eager to do everything for true and peaceful friendship with them all. Nepal desires peace, happiness and prosperity of India as well. Nepal, on her part, hopes for pure friendship and sincere co-operation from the friendly country, India.

That developing countries like Nepal and India can march ahead only on the basis of peace, friendship and mutual goodwill has been proved beyond doubt. Nepal has been making headway with her own system and policy. Nepal's peaceful efforts to stand on her own legs are there before all. Nepal believes that any problem can be settled satisfactorily on the basis of equality in a peaceful manner with mutual goodwill, good behaviour and friendly feelings. No problem can be solved by the use of physical force, by interference in other's internal affairs or by narrow-mindedness. With her non-aligned foreign policy, Nepal has been maintaining equal and impartial relations of goodwill and friendship with all friendly countries.

The present age is the age of science and progress. Developing countries like Nepal and India cannot make progress unless there is peace everywhere in the world. Hence, I believe that, together with advancement in science, spiritual awareness and attitude are equally essential and that only then world peace and progress are possible. It is on the strength of this belief that we are going ahead. Co-operation from friendly countries has played no small role in the progress achieved by Nepal and the Nepalese society in different spheres today. Nepal is thankful to India for the help and co-operation which she has received from India in different fields. Nepal always welcomes all co-operation without strings from all friendly countries.

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Speech of Mrs. Indira Gandhi:

* * * * *

I greatly look forward to my talks with Your Majesty and Chairman

Thapa and his colleagues. There is much to discuss with regard to matters of mutual concern and interest and the fast changing international scene. The newspapers sometimes refer to "problems" between Nepal and India. Of course, there are problems. It would be surprising if there were not any between such close neighbours. But I venture to suggest that these problems are basically small and incidental to the much larger fact of Indo-Nepalese friendship.

I am convinced that the friendship between Nepal and India is firm and unshakable. Our people wish it. Our Governments are working for it. History, geography and our common interests demand it.

We agree that every nation has the right to lead its own life and shape its own destiny in accordance with its need and circumstance and the genius of its people. Our common heritage and our common interests and outlook on so many matters is, therefore, fully compatible with diversity in other areas. We do not regard this as strange. On a larger plane, this belief is translated into our common dedication to the right of every nation to preserve its own identity and personality. This is the basis of our commitment to peaceful co-existence.

Nepal has chosen its own path. Under the wise guidance of Your Majesty, a new, modern Nepal is in the making. You have adopted planning as an instrument of orderly development and have completed plans. Apart from the material progress this has brought, it has set in motion a process of social change.

We are greatly privileged to have been able to assist your plans of development in the same spirit of international economic co-operation in which we have ourselves received assistance from others. Economic and cultural co-operation between Nepal and India constitute yet another symbol of friendship based on the principles of equality and mutual benefit. These principles of peaceful co-existence are universal principles. They offer the only sane and safe road along which the nations of the world can travel today.

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(Press Information Bureau, Government of India)

68. Joint communique issued at the end of Mrs. Indira Gandhi's visit to Nepal, Kathmandu, October 7, 1966

ON the invitation of His Majesty the King of Nepal, the Prime Minister of India, Her Excellency Shrimati Indira Gandhi paid a goodwill visit to Nepal from October 4 to October 7, 1966. The Prime Minister was accompanied by Shri Dinesh Singh, Minister of State in the Ministry of External Affairs, Shri L. K. Jha, Secretary to the Prime Minister, Shri T. N. Kaul, Secretary in the Ministry of External Affairs and other high ranking officials of the Government of India.

His Majesty and the Prime Minister welcomed this opportunity to renew personal contacts, and expressed the hope that the visit would further strengthen the bonds of friendship between Nepal and India. His Majesty's Government and the Government of India regard the Prime Minister's visit

as an important milestone in the further development of friendly relations between the two countries.

During the visit, the Prime Minister visited centres of economic development and places of historical and cultural interest in the valley of Kathmandu. The Prime Minister was accorded a warm civic reception by the citizens of Kathmandu and conveyed the friendly greetings and sincere good wishes of the people of India to the people of Nepal. The Prime Minister was also honoured by the Nepal-Bharat Maitri Sangh and the Nepal Women's Organization and was glad to meet the leaders of these two societies. She was deeply moved by the warm welcome accorded to her by His Majesty's Government and people of Nepal.

Matters of bilateral interest to the two countries were also discussed between His Majesty the King and the Chairman of the Council of Ministers and the Prime Minister. Both sides reaffirmed a vital interest in each other's territorial integrity, prosperity and general well-being. They reaffirmed their faith in further strengthening the traditional kinship, and common ties of history, geography and culture, binding the two countries and peoples.

During her stay the Prime Minister held frank and friendly talks with His Majesty the King, the Chairman of the Council of Ministers and other Ministers of His Majesty's Government. These talks were marked by a spirit of cordiality, mutual trust and sympathetic understanding of each other's problems. His Majesty, the Chairman and the Prime Minister reviewed the general international situation with particular reference to the developments in Asia. They expressed their grave concern over recent developments in Viet Nam. They reaffirmed their belief that there should be immediate cessation of bombing of North Viet Nam, as an essential first step to peace talks for a political settlement of the Viet Nam problem. They expressed their hope that all parties concerned would work for a political settlement of the Viet Nam problem through peaceful negotiations in accordance with the legitimate aspirations of the Vietnamese people in full conformity with the spirit and within the broad framework of the Geneva Agreements of 1954. These talks underlined the similarity of approach to international issues based on the principles of non-alignment and peaceful co-existence and reaffirmed the unanimity of views on major international issues discussed by the two sides, particularly on the need for strengthening peace, relieving tensions, and settlement of all international problems through peaceful negotiations on the basis of respect for territorial integrity and sovereignty and non-interference in internal affairs. The two sides expressed their wholehearted support to the struggle against colonialism, racialism and neo-colonialism. The Prime Minister also briefly acquainted the Chairman with the nature of her forthcoming meeting with the Presidents of the United Arab Republic and Yugoslavia.

The Chairman and the Prime Minister reiterated their willingness to work closely together, along with other developing countries, in order to secure effective implementation of the resolutions of the United Nations Conference on Trade and Development. They further expressed their view that economic co-operation among developing countries at various stages of development is necessary for a more purposeful implementation of the concept of international co-operation among States.

The Chairman explained to the Prime Minister that Nepal was vitally interested in the full exercise of her transit rights under the Treaty of Trade and Transit, 1960, between His Majesty's Government of Nepal and the Government of India¹. The Chairman and the Prime Minister agreed that the Treaty of Trade and Transit, 1960, was of great benefit to both countries and should continue to be fully implemented in letter and spirit by both the sides.

The Prime Minister was impressed by the economic progress made by Nepal under the leadership of His Majesty the King. She assured His Majesty's Government of India's desire to assist in the economic development of Nepal. To this end, India will continue to make increased assistance available for the successful implementation of Nepal's Third Plan.² His Majesty and the Chairman thanked the Prime Minister. His Majesty and the Chairman, along with the Prime Minister participated in the inauguration of the Sundarijal Water Supply Project—which is a symbol of the interflow of friendship between the two countries. The two sides agreed that the work on the Western Kosi Canal and on the East-West Highway should start without delay.

The two sides reviewed with satisfaction the progressive and fruitful development of relations between Nepal and India. The Chairman expressed the gratitude of His Majesty's Government for the assistance and co-operation extended by the Government of India for Nepal's economic and social development in the last decade. He expressed satisfaction over the speedy progress achieved in the implementation of India-aided projects in Nepal in recent years.

The Prime Minister extended a personal invitation to Their Majesties the King and Queen to visit India whenever convenient. Their Majesties thankfully accepted the invitation.

(Foreign Affairs Record : XII(10) : October 1966 : 259-60)

69. Interview of King Mahendra with Mr. Claude Moisy, Chief of the New Delhi Bureau of Agence France Presse (AFP), Kathmandu, October 17, 1966 (Excerpts)

IN an exclusive interview...with Mr. Claude Moisy, King Mahendra expressed the opinion that the border dispute between two rival giant nations could not reach a point where Nepal's territorial integrity would be threatened.

“Our policy of non-alignment and non-interference in the affairs of other countries is well known,” he said. “Whatever the apparent differences between India and China, we do not believe that they will reach a stage where any third party will or need be involved.”

¹ See page 125.

² A day earlier on October 6 inaugurating the Indian-built Sundarijal drinking-water supply scheme Mrs. Gandhi announced that the Indian aid during Nepal's Third Five-Year Plan period could be to the tune of Rs. 40 crores—twice the amount spent by India during Nepal's Second Plan. Mrs. Gandhi also promised Nepal machinery for her proposed paper mill, for which the original offer was made by China but had withdrawn it on account of “economic feasibility and technical difficulty.”

When asked whether Nepal could not play a useful role towards bringing India and China closer together, the king said: "Neither of them has approached us for assistance in this connexion, but when the need arises we shall give due thought to it."

* * * * *

Discussing his country's economic problems, he emphasized that Nepal had the problems of a land-locked country. "We expect to receive all facilities allowed by international laws and conventions to land-locked countries. But if our trade is not yet diversified as it should be, it is not India's fault. We have just started diversifying our trade and we have attained some success too."

(*Asian Recorder* : XII (48) : 1966 : 7416)

70. Statement of Mr. M. C. Chagla in Lok Sabha, on the visit of Mrs. Indira Gandhi to Nepal, New Delhi, November 21, 1966

IN response to an invitation from His Majesty the King of Nepal, the Prime Minister visited Kathmandu from 4th to 7th October, 1966. The Prime Minister was happy to have had this opportunity to exchange views with His Majesty the King, the Chairman of the Council of Ministers and other leading personalities of Nepal.

The Prime Minister was deeply touched by the friendly and warm welcome extended to her during her stay in Nepal which was a manifestation of the friendly feelings of the people of Nepal towards India and the Indian people.

India and Nepal share a long border which is free and open for unrestricted movement by people on both sides. Our peoples share a common heritage and are closely bound together by history and geography and by a common culture and tradition. With such close associations in the past, it is only natural that we should work closely together to promote our many common interests.

The Prime Minister was greatly impressed by the visible and varied signs of progress she saw or that were reported to her in Nepal since her last visit to Kathmandu 13 years ago. We are happy that India has been of some assistance in furthering this progress. His Majesty the King also expressed to the Prime Minister his satisfaction at the speedy progress achieved in the implementation of Indian aided projects in recent years. She had the honour to inaugurate one such project in which we have collaborated—the Sundarijal Water Supply Scheme, which serves the city of Kathmandu. All the assistance we have rendered to Nepal has been conceived and made available in a spirit of friendly co-operation between neighbours. It is in accordance with this spirit that we have renamed what was hitherto known as the Indian Aid Mission, as the Indian Co-operation Mission. Despite our own economic difficulties, we have decided to double the quantum of assistance to Nepal to about Rs. 40 crores during our Fourth Plan period which happens almost to coincide with Nepal's current Five-Year-Plan. Large numbers of students and trainees from Nepal are studying in our universities and technical institutions. We welcome these and other contacts and would like to see them enlarged and strengthened in both directions.

The House will, I am sure, be glad to know that agreement has been reached on the Western Kosi Canal and the East-West Highway. Steps are being taken to sign the concerned agreements and it is expected that work will begin in the present cold weather.

The Prime Minister greatly welcomed the opportunity she had for a frank and cordial exchange of views with King Mahendra and Chairman Thapa. Our delegation also had talks with other Ministers and officials of the Government of Nepal. All these discussions have been extremely fruitful and have resulted in closer and mutual understanding between our two countries. Our discussions, once again, revealed a continuing similarity of approach on international issues based on the principles of non-alignment, and peaceful co-existence. Both sides reaffirmed their vital interest in the territorial integrity, prosperity and general well-being of the other. We agreed in particular that international issues should be settled by peaceful means.

There was a preliminary discussion on certain issues pertaining to trade. It was agreed that these matters should be more fully considered by the officials concerned. An Indian Trade Delegation is accordingly visiting Kathmandu shortly, and I have no doubt that all the issues will be fully considered by them and resolved satisfactorily.

The Prime Minister was accorded a very warm civic reception by the citizens of Kathmandu and had an opportunity of addressing the Nepal Bharat Maitri Sangh and the women's organisation of Nepal and meeting their members. Her visit to Bhaktapur, near Kathmandu, also enabled her to see something of the splendid cultural heritage of Nepal which has intermingled so closely with our own.

The Prime Minister extended an invitation to Their Majesties the King and Queen of Nepal to visit India which they have accepted.

* * * * *

Shri Hem Barua [Praja Socialist Party]: Nepal is a friendly country and we want their friendship to grow. I must congratulate the Prime Minister for finding time to visit this country in order to strengthen the age-old friendship. But, may I seek a clarification from her? May I know whether she had any discussion with the Nepalese State leaders about the military build-up by the Chinese on the Bhutanese frontier, as also the general threat that China poses against India today? If so, are we to understand, or how far is it correct, that the Nepalese leaders told our Prime Minister that they do not think that China might attack India again?

The Prime Minister and Minister of Atomic Energy (Shrimati Indira Gandhi): This question was discussed and we expressed our deep concern at the conclusion [collusion] between China and Pakistan and the news of military build-up. As far as I remember, the Nepalese did make no such statement, as the Honourable Member is attributing to them.

Shri Hem Barua: I did not hear the latter part of the answer.

Mr. Speaker: The Prime Minister says that as far as she remembers, the Nepalese Government did not issue such a statement as has been mentioned by the Honourable Member.

Shri Hem Barua: They did not issue such a statement. But my information is that the Nepalese State leaders told our Prime Minister that they do not think that China might attack India again.

Mr. Speaker: Then I was somewhat mistaken.

Shrimati Indira Gandhi: One of them did say something to the effect that they do not think it will take place in the near future.

Shri U. M. Trivedi [Jana Sangh]: When the Prime Minister visited Nepal and immediately thereafter there was news that the relations between Nepal and China were growing cordial. Did it crop up during the talks with the Nepalese leaders by the Prime Minister that their relations with China were as cordial as the relations between India and Nepal?

Shrimati Indira Gandhi: Sir, it is very difficult to compare relations between countries. China is a neighbour of Nepal and naturally they would like to remain friends with China also. But I do not think it in any way interferes with the very close friendship and close cultural ties which we have with them.

Shri Madhu Limaye [Samyukta Socialist Party]: Mr. Speaker, this question of Indo-Nepal friendship is so important, that it is a matter for regret that the Prime Minister's visit took place three weeks ago and the statement about that visit is being made today. My question is, whether the Prime Minister is aware that the road linking Tibet with Nepal was complete only a few days ago; and there are bridges which can take even tanks etc. When roads and bridges were constructed on the Ichogal Canal¹, the Government was not aware. But the Government is aware about this road and has the Prime Minister drawn the attention of the Nepalese Government to the fact that with the construction of this road which can take even tanks, a great danger both for Nepal and India has been created. If yes, what are the views of the Nepalese Government about this? [*Unofficial translation*]

Shrimati Indira Gandhi: Whatever has transpired during the talks I cannot disclose here. But as I have said before, whatever suspicions we have about danger from China, about danger from Pakistan—we placed them before the Nepalese Government in great details. [*Unofficial translation*]

Shri Madhu Limaye: I want to know about this road; I am not concerned with other talks. [*Unofficial translation*]

Shrimati Indira Gandhi: The roads [*Unofficial translation*]

Shri Madhu Limaye: Not roads, road. [*Unofficial translation*]

Shrimati Indira Gandhi: We are aware about the construction of that road. What type of road is this, we did not know. Now the Honourable Member tells that even tanks can go on that road. [*Unofficial translation*]

Shri Madhu Limaye: As if I am the Prime Minister; she does not know. [*Unofficial translation*]

Shri Vasudevan Nair [Communist Party of India]: As Nepal has very friendly relations with the Chinese Government, may I know whether the Prime Minister tried to find out from the Nepali leaders what is the mood of the Chinese leadership now as far as peaceful settlement of the disputes between India and China are concerned?

¹ Canal inside Pakistan running parallel to Indo-Pakistan border in the Western Sector.

Shri U. M. Trivedi: As if there are disputes.

Shrimati Indira Gandhi: What is the first part of the question?

Mr. Speaker: What is the mood of the Chinese Government at this moment according to the estimate of the Nepalese leaders?

Shrimati Indira Gandhi: The mood of the Chinese was not mentioned in the talks.

Shri Vasudevan Nair: In context of our dispute.....

Shrimati Indira Gandhi: We did not discuss the change in the mood of the Chinese.

Shri Parkash Vir Shastri [Independent]: Did the Prime Minister during her visit get the impression that the Nepalese people and the Nepal Government are more anxious to develop cultural relations with India than economic and political? Occasionally they have even made suggestions in this regard. If yes, whether the Prime Minister after her recent visit, is contemplating on this point that the cultural relations between the two countries should be as before or closer than before? Has any new step been taken in this direction? [*Unofficial translation*]

Shrimati Indira Gandhi: We are making efforts that all types of relations be developed. I agree with the Honourable Member that cultural relations should also increase and we are thinking about this. [*Unofficial translation*]

Shri Kashi Ram Gupta [Independent]: Long time back, a few families of Bhutan had stayed in Nepal. Their attitude towards Bhutan was hostile and towards India unfriendly. I want to know that in view of our special relations with Bhutan and friendly relations with Nepal, has the Prime Minister mentioned this to the Nepalese Government that such people should not be allowed to stay in Nepal? [*Unofficial translation*]

Shrimati Indira Gandhi: We cannot interfere in such matters. [*Unofficial translation*]

Shri Kashi Ram Gupta: It is not the question of interfering. Have they discussed this at all or not? [*Unofficial translation*]

Mr. Speaker: Dr. Mahadeva Prasad.

Dr. Mahadeva Prasad [Congress]: Land Reform Acts that have been enforced in Nepal and because of these the Indians settled in Nepal Tarai since long and tilling the land, are being displaced. Has the Prime Minister discussed this problem with the Nepal Government? [*Unofficial translation*]

Shrimati Indira Gandhi: This was discussed, and we were told that the land reform laws made there apply to everybody equally whether they are Indians or Nepalese, and some will naturally be affected. Talks on this are going on. [*Unofficial translation*]

THE FOLLOWING POINTS WERE RAISED IN THE RAJYA SABHA AFTER MR. CHAGLA'S STATEMENT IN THAT HOUSE

Shri Atal Bihari Vajpayee [Jana Sangh]: Everybody would welcome the steps being taken to strengthen the Indo-Nepalese friendship; but the question is whether Nepal is also reciprocating with the same spirit? Is it not a fact

that the Rs. 16 crores financial assistance that we have given to Nepal, she is exchanging it with China for foreign exchange? Has the Nepalese Government taken the permission of the Government of India for this or has the Government of India protested to the Nepalese Government about it? The second question is: how would China make use of these 16 crore rupees? Has the Government of India drawn the attention of the Nepalese Government to this? [*Unofficial translation*]

Minister of State in the Ministry of External Affairs (Shri Dinesh Singh): Whatever help we are giving to the Nepalese Government or whatever is being done in Nepal, is on co-operative basis. The roads that have been built there and the water-supply scheme completed or whatever has been done, we are not paying them anything in cash separately. The money is being spent on the projects as they are being executed. I do not think they can pass on the help or assistance received from us to China. Nothing of this kind has come to our notice so far. [*Unofficial translation*]

Shri Atal Bihari Vajpayee: I am surprised at the reply given by the Honourable Minister. It has been reported from Kathmandu that in lieu of Rs. 16 crores that Nepal will get from India, the Government of Nepal has entered into an agreement with China to secure foreign exchange worth Rs. 16 crores. I should like to know whether there is any basis for this report from Kathmandu.

Shri Dinesh Singh: The question is not of cash assistance. Whatever foreign exchange they need, they ask us. The Indian currency was a legal tender in Nepal till recently. It has ceased to be so now. We will discuss with them about their holdings of the Indian currency. We have also seen the press reports which the Honourable Member has referred to; we are in correspondence with them about this. [*Unofficial translation*]

Shri B. K. P. Sinha [Congress]: May I know, Sir, whether Government realise that Nepal geographically is a part of the same territory to which India belongs and, therefore, in view of this it is in our greater interest that Nepal should develop both economically and militarily and in every other way? In the light of these, may I know if the Government of India realise that the aid that we have been giving to Nepal is not adequate? Rather we should give them more aid, so that they build up their strength rapidly. We should treat them not as a foreign country, but at least on the same basis as any other State, though they are a sovereign country, in the matter of giving aid and building up their economy.

Shri Atal Bihari Vajpayee: No, no. That is likely to be misunderstood. Nepal is an independent country.

Shri B. K. P. Sinha: I have made it clear, *viz.*, in the matter of extending aid, so that they build up rapidly. We must be as generous to them as we would be to any other part of this country, because it is in our interest to build up that country.

Shri Dinesh Singh: It is true that both the countries lie on the southern slope of the Himalayas and we are very greatly interested in the development of Nepal. There has been traditionally close friendship with Nepal. We are giving them as much assistance as is necessary and as much as we can afford. The whole point in this is that we should not give an impression,

as might have been conveyed and objected to by some honourable Members, that we are trying to force ourselves in any way on Nepal. We are working together and we are examining every scheme of collaboration that they put forward to us. We shall do our best to help them within our limited means.

Shri M. C. Chagla: Sir, may I supplement that my honourable colleague has said by pointing out—and I hope the House will be very happy to hear this—that in the economic progress of Nepal, Indian aid has played a very substantial part. The longest road, the biggest hydro-electric project, the first airstrip, all these have been or are being constructed with Indian assistance.

Shri N. Sri Rama Reddy [Congress]: I want to know whether information is available with regard to the completion of the road said to have been undertaken to be constructed by China between Tibet and Kathmandu; whether this road is capable of taking military vehicles etc. and giving connection; what will be the likely effect of such road construction. I would like to know whether any particular topic was raised in the discussions at Kathmandu. Generally speaking what was the attitude of Nepal with regard to the hostility that is being developed day in and day out between China and Pakistan together against India? I would like to know if any light can be thrown on this aspect.

Shri M. C. Chagla: As regards the second part of the question, we look upon Nepal as an independent, sovereign country, a friendly country. We do not interfere with the internal affairs of Nepal just as we do not expect Nepal to interfere with our internal affairs which she is not doing. As regards the road, I believe my honourable friend is referring to the East-West road...

Shri C. D. Pande: Kodari-Kathmandu Road.

Shri M. C. Chagla: As a matter of fact it connects with China. We know a little about it. We are not in a position to make any statement in regard to that matter.

The Prime Minister (Shrimati Indira Gandhi): May I supplement this? We do know about the road, but there is nothing much we can do about this except to point out to our Nepalese friends the threat which China is posing to us here, as the Honourable Member pointed out in collusion with Pakistan. But China is a sovereign country and Nepal is a sovereign country and their dealing with each other is not something in which we can interfere.

STATEMENT RE-REPLY GIVEN IN THE RAJYA SABHA ON THE
22ND NOVEMBER, 1966, TO CERTAIN QUESTIONS ARISING
OUT OF THE STATEMENT RELATING TO THE PRIME
MINISTER'S VISIT TO NEPAL

The Minister of State in the Ministry of External Affairs (Shri Dinesh Singh): ... on the 22nd November, 1966, Shri Atal Bihari Vajpayee had enquired whether an amount of Rs. 16 crores said to have been given by India as aid to Nepal had been transferred by Nepal to China in order to obtain foreign exchange. I had expressed my doubts about the veracity of the news and had informed the Honourable Member that we were enquiring into the matter.

We have since made the necessary enquiries. There is no truth in implied allegation that Nepal is using Indian currency received as aid from India for other purposes.

Over the period 1951-66 our assistance to Nepal has amounted approximately to Rs. 31 crores. This is the total cost of the wages of men and the price of materials, machinery and equipment utilized in Nepal by the Indian Co-operation Mission in constructing roads, air-fields, water-supply schemes, irrigation works and other similar projects. Under the agreed arrangements in force between the two Governments assistance is not given in cash but projects are executed jointly.

The news appearing in the press probably relates to a decision by China to express her aid to Nepal in terms of Pound Sterling rather than in Indian rupees, which until recently used to be legal tender in Nepal and was a unit of currency which was easily understood by all people in Nepal. After the rupee was devalued on 6th June, 1966, its relationship with the Nepali rupee has undergone a change and in order to maintain intact the quantum of aid promised to Nepal by the Government of the People's Republic of China they have merely chosen another monetary unit in which to express the amount of their aid.

- i) (*Lok Sabha Debates*: LXI(14): November 21, 1966: Cols. 4368-75)
- ii) (*Rajya Sabha Debates*: LVIII (11): Nov. 22, 1966: Col. 2300-04)
- iii) (*Rajya Sabha Debates* : LVIII (17): Dec. 1, 1966: Col 3487-88)

71. Interview of King Mahendra with the diplomatic and political correspondent of the Indian Express (New Delhi), Kathmandu, November 27, 1966 (Excerpts)

Question: Will Your Majesty kindly indicate how Nepal and India can maintain and consolidate their relations in all spheres?

Answer: I think this is possible through mutual understanding and sincere implementation.

Question: Are there any outstanding differences between the two countries and will Your Majesty indicate how to remove them and also embark on new lines of co-operation? Is it possible to conclude a treaty similar to the Indus Treaty to share water and power resources of the two countries?

Answer: Unfortunately, some years back there were differences between the two countries on a few issues. Happily, they are clearing up. Understanding between the two countries is progressing well. I welcome every opportunity for further sincere co-operation in all matters appropriately beneficial to both the countries.

Question: There is a section of opinion in India that feels that differences between India and China on the one hand and India and Nepal on the other are utilised in Nepal to strain Indo-Nepalese relations. Does Your Majesty agree with this? In what way can the present deadlock between China and India be resolved so that all the three neighbours can live in peace and divert their energies to economic emancipation of their peoples?

Answer: As I have said, I do not see any serious differences now between Nepal and India. If there are any, we can settle them amicably. If there are differences between India and China, it is most unfortunate. We hope ways and means will be found to resolve them by both the neighbouring countries.

* * * *

Question: What steps are you taking to make Nepal defend herself in the event of unexpected attack?

Answer: Just now we do not expect any such attack from any quarter. Nepalese, however, believe in doing everything possible and necessary to maintain their independence and sovereignty.

Question: China's development of nuclear weapons has caused concern in India. Is this shared by Your Majesty's Government? What can be done to meet the situation?

Answer: The increase in the strength of any nation should be a matter of joy but it would be a matter of shame for any nation to misuse it. It is, of course, known that Nepal has signed the Moscow Nuclear Test Ban Treaty.

(*Nepal News* : V(42) : December 4, 1966 : 4)

72. Statement of Mr. Dinesh Singh in the Lok/Rajya Sabha regarding land legislation in Nepal affecting rights of Indians, New Delhi, December 2, 1966

DURING the past few days I received a number of informal enquiries from several Honourable Members about the repercussions on Indians of the legislation recently enacted in Nepal concerning land and tenancy rights. I should, therefore, like to place before the House the information available to the Government¹.

The recent legislation in Nepal deals mainly with following Acts:

1. Land Reforms Act, 1964;
2. The Ukhada Land Tenure Act, 1964;
3. Mulki Ain promulgated in 1963;
4. Nepal Citizenship Act, 1964;
5. Foodgrains (Controls) Order; and
6. Facilities to Industrial Enterprise Act, 1961;

and tends to draw distinction between the rights of Nepalese citizens and foreigners. In the ordinary course Indian citizens being foreigners would have been classified as such. However, under the Treaty of Peace and

¹ Mrs. Gandhi had on October 7 told a Press conference in Kathmandu that during her talks with the Nepalese leaders the subject of the rights and privileges of Indians living in Nepal as provided under the Indo-Nepalese Friendship Treaty of 1950 also figured and said "I am assured that there would be no discrimination against Indians" but added that certain policies initiated by the Nepalese Government would apply to Indians in Nepal as well "but that cannot be helped".

Friendship signed by the two countries in 1950 both countries agree to give the nationals of the other equal treatment with their own nationals. As such any provision made to discriminate against Indian citizens by equating them with other foreigners would appear to be in violation of this Agreement. When I say this, I should also point out that Government of India had recognised in 1950 that it might be necessary for some time to afford Nepalese nationals in Nepal protection from unrestricted competition from outside. However, it was agreed that the nature and extent of this protection will be determined as and when required by mutual agreement between the two Governments.

The Nepalese Government should have, in our opinion, consulted the Government of India before bringing in any legislation or taking any other action which would restrict the rights and privileges of Indians *vis-a-vis* Nepalese citizens.

We are fully conscious of our obligations under this Treaty and it is our endeavour to give Nepalese citizens complete equality with the citizens of our country.

We hope that the Government of Nepal would also fully respect the provisions of the Treaty I have mentioned and give equality to Indian citizens in Nepal on par with their own nationals.

We have brought this matter to the attention of the Government of Nepal in June this year when an *Aide Memoire* was handed over to the Ambassador of Nepal in India. This matter was also discussed during the visit of the Prime Minister to Nepal in October. We have had, further discussions with the Nepalese Ambassador and we are hoping that the Government of Nepal will give their urgent and earnest attention to this matter. We also propose to request the Government of Nepal to ensure that lands or properties lost by Indians under the provisions of this Act be restored to them.

I place on the Table of the House a brief note giving the details of the recent legislation together with brief descriptions of earlier legislation referred to by me.

THE RECENT LEGISLATION IN NEPAL CREATING DISABILITIES FOR PERSONS OF INDIAN ORIGIN AND INDIAN NATIONALS

Discriminatory practices in Nepal against persons of Indian Origin and Indian Nationals

DISCRIMINATORY LAND LEGISLATION IN NEPAL

A Treaty of Peace and Friendship between India and Nepal was signed in 1950. Article 7 of the Treaty provides that:

“the Government of India and Nepal agree to grant, on a reciprocal basis, to the nationals of one country in the territories of the other the same privileges in the matter of residence, ownership of property, participation in trade and commerce, movement and other privileges of a similar nature.”

2. While the nationals of Nepal residing in India continue to receive the same facilities and treatment which are available to Indian nationals, the Government of Nepal have taken measures which place certain disabilities on foreigners including Indians and are in conflict with the provisions of the Treaty mentioned above. These are:

(a) LAND REFORMS ACT 1964:

According to this Act no person shall sell, give away or otherwise relinquish his rights on any immovable property in favour of any foreigner, foreign corporate bodies or foreign nations without the prior approval of the Government of Nepal. In case such rights have been relinquished and taken up the property shall be confiscated and shall accrue to the Government of Nepal.

(b) THE UKHADA LAND TENURE ACT, 1964:

This Act provides for termination of existing ownership rights over the lands being cultivated by tenants under the share cropping system. The rules framed under the Act provide for registration of the land in the name of the Nepalese nationals only.

3. Besides the land legislation noted above, there are certain other practices being followed in Nepal which create disabilities in Indians:

(i) RESTRICTIONS ON ACQUISITION AND DISPOSAL OF IMMOVABLE PROPERTIES :

The new Mulki Ain of Nepal promulgated in 1963 on this subject bars foreign citizens from inheriting or acquiring as escheat any immovable property in Nepal unless they acquire Nepalese citizenship and settle down there.

(ii) DISCRIMINATORY TREATMENT UNDER THE NEPAL CITIZENSHIP ACT, 1964:

According to this Act, people who are not of Nepalese origin have to stay in Nepal for 12 years while those of Nepalese origin for a period of 2 years to qualify for acquisition of naturalised Nepalese citizenship.

(iii) DISCRIMINATION IN THE FIELD OF TRADE AND COMMERCE :

Under the Foodgrains (Controls) Order, Indians as non-Nepalese are not allowed to engage in foodgrains trade.

Similarly under the Facilities to Industrial Enterprises Act of May 1961, cottage and village industries requiring a capital investment of not more than Rs. 50,000 can be established only by Nepalese nationals. Indian nationals wishing to open small commercial establishments such as hotels, restaurants, etc., are finding it difficult to get necessary permission from the Nepalese authorities even when recommended by our Embassy.

(Press Information Bureau, Government of India)

C. Economic Relations

(i) TRADE

73. Treaty of Trade and Commerce, Kathmandu, July 31, 1950

THE Government of India and the Government of Nepal being desirous of facilitating and furthering trade and commerce between their respective territories have resolved to conclude a Treaty of Trade and Commerce and have, for this purpose, appointed as their plenipotentiaries the following persons, namely,

The Government of India:

His Excellency Shri Chandreshwar Prasad Narain Singh, Ambassador of India in Nepal,

The Government of Nepal:

Mohun Shamsheer Jang Bahadur Rana, Maharaja, Prime Minister and Supreme Commander-in-Chief of Nepal;

who having examined each other's credentials and found them good and in due form have agreed as follows:

Article 1

The Government of India recognise in favour of the Government of Nepal full and unrestricted right of commercial transit of all goods and manufactures through the territory and ports of India as provided in Articles 2, 3 and 4 below.

Article 2

Subject to such arrangements as may be agreed upon between the two Governments, the Government of India agree to allow all goods imported at any Indian port and intended for re-export to Nepal to be transmitted to such place or places in Nepal as may be approved by the two Governments, without breaking bulk *en route* and without payment of any duty at any Indian port.

Article 3

Subject to such arrangements as may be agreed upon between the two Governments the right of passage without payment of excise or import duties shall similarly extend also to goods of Nepalese origin in transit through Indian territory from one approved place to another within the territories of the Kingdom of Nepal.

Article 4

Subject to such arrangements as may be agreed upon between the two Governments, the Government of Nepal shall enjoy full and unrestricted

right of commercial transit, from approved place or places in Nepalese territory, through the territories and ports of India, of all goods and manufactures of Nepalese origin for export outside India.

Article 5

The Government of Nepal agree to levy at rates not lower than those leviable, for the time being, in India, customs duties on imports from and exports to countries outside India. The Government of Nepal also agree to levy on goods produced or manufactured in Nepal, which are exported to India, export duty at rates sufficient to prevent their sale in India at prices more favourable than those of goods produced or manufactured in India which are subject to central excise duty.

Article 6

The Government of India and the Government of Nepal agree to assist each other, by making available, to the maximum extent possible, commodities which are essential to the economy of the other.

Article 7

The two Governments agree to promote contacts between the trade interests of the two countries and undertake to give every reasonable facility for the import and export of commodities, and in particular to facilitate the use of the routes and methods of transportation which are most economical and convenient.

Article 8

Civil aircraft of either State shall be permitted to fly over the territory of the other in accordance with normal international procedure.

Article 9

So far as matters dealt with herein are concerned this Treaty cancels all previous treaties, agreements or engagements concluded between the British Government on behalf of India and the Government of Nepal.

Article 10

This Treaty shall come into force three months after the date of signature by both parties. It shall remain in force for a period of 10 years, in the first instance, and shall, unless terminated by either party by giving notice of not less than one year in writing, continue in force for a further period of 10 years.

Done in duplicate at Kathmandu this 31st day of July 1950.

SD/- CHANDRESHWAR PRASAD
NARAIN SINGH

For the Government of India

SD/- MOHUN SHAMSHER
JANG BAHADUR RANA

For the Government of Nepal

(*Parliamentary Debates* : Appendix I; Second Session : July-August 1950 : 198-99)

74. Treaty of Trade and Transit, Kathmandu, September 11, 1960

WHEREAS the Government of India and His Majesty's Government of Nepal (hereinafter referred to as the Contracting Parties).

Being animated by the desire to strengthen economic co-operation between the two countries, and convinced of the benefits likely to accrue from the development of their economies towards the goal of a Common Market,

Have resolved to conclude a Treaty of Trade and Transit in order to expand the exchange of goods between their respective territories, encourage collaboration in economic development and facilitate trade with third countries.

They have for this purpose appointed as their plenipotentiaries the following persons, namely,

The Government of India:

His Excellency Shri Harishwar Dayal, Ambassador of India in Nepal.

His Majesty's Government of Nepal:

His Excellency Shri Ram Narayan Mishra, Minister for Commerce & Industries;

who, having exchanged their full powers and found them good and in due form, have agreed as follows:

TRADE

Article I

The Contracting Parties shall promote the expansion of mutual trade in goods originating in the two countries and shall to this end endeavour to make available to each other commodities which one country needs from the other. The Contracting Parties shall further take care to avoid to the maximum extent practicable diversion of commercial traffic or deflection of trade.

Article II

Subject to such exceptions as may be mutually agreed upon, goods originating in either country and intended for consumption in the territory of the other shall be exempt from customs duties and other equivalent charges as well as from quantitative restrictions.

Article III

Notwithstanding the foregoing provisions, either Contracting Party may maintain or introduce such restrictions as are necessary for the purpose of

- (a) protecting public morals,
- (b) protecting human, animal and plant life,
- (c) safeguarding national treasures,
- (d) safeguarding the implementation of laws relating to the import and export of gold and silver bullion,
- (e) safeguarding such other interests as may be mutually agreed upon.

Article IV

Payment for goods and services between the two countries will continue to be made as heretofore.

Article V

The trade of the Contracting Parties with third countries shall be regulated in accordance with their respective laws, rules and regulations relating to imports and exports.

Article VI

Payment for transactions with third countries will be made in accordance with the respective foreign exchange laws, rules and regulations of the two countries. The Contracting Parties agree to take effective steps, in cooperation with each other, to prevent infringement and circumvention of the laws, rules and regulations of either country in regard to matters relating to foreign exchange.

TRANSIT

Article VII

Goods intended for import into or export from the territories of either Contracting Party from or to a third country shall be accorded freedom of transit through the territories of the other party. No distinction shall be made which is based on the flag of vessels, the place of origin, departure, entry, exit, destination or ownership of goods.

Article VIII

Goods (including baggage) shall be deemed to be in transit across the territory of a Contracting Party when the passage across such territory, with or without transshipment, warehousing, breaking bulk or change in the mode of transport, is only a portion of a complete journey beginning and terminating beyond the frontier of the Contracting Party across whose territory the traffic passes. Traffic of this nature is termed "traffic in transit".

Article IX

Traffic in transit shall be exempt from customs duty and from all transit duties or other charges imposed in respect of transit, except reasonable charges for transportation and such other charges as are commensurate with the costs of services rendered for the supervision of such transit.

Article X

The procedure to be followed for traffic in transit to or from third countries is laid down in the Protocol hereto annexed. Except in case of failure to comply with the procedure prescribed, such traffic in transit shall not be subjected to unnecessary delays or restrictions.

Article XI

Traffic in transit through the territories of one Contracting Party from one place to another in the territories of the other Party shall be subject to such arrangements as may be mutually agreed upon.

GENERAL

Article XII

Nothing in this Treaty shall affect any measure which either of the Contracting Parties may be called upon to take in pursuance of general

international conventions to which it is a party or which may be concluded hereafter relating to the transit, export or import of particular kinds of articles such as opium or other dangerous drugs or in pursuance of general conventions intended to prevent infringement of industrial, literary or artistic property or relating to false marks, false indications of origin or other methods of unfair competition.

Article XIII

The Contracting Parties shall take appropriate measures to ensure that the provisions of this Treaty are effectively and harmoniously implemented and to consult with each other periodically so that such difficulties as may arise in its implementation are resolved satisfactorily and speedily.

Article XIV

This Treaty, which replaces the Treaty of Trade and Commerce between the two countries of 31st July, 1950, shall come into force on 1st November, 1960. It shall remain in force for a period of five years. It shall continue in force for a further period of five years thereafter, subject to such modification as may be agreed upon, unless terminated by either party by giving notice of not less than one year in writing.

Done in duplicate in Hindi, Nepali and English, all the texts being equally authentic, at Kathmandu on the eleventh day of September, one thousand nine hundred and sixty, corresponding to the twenty-seventh day of Bhadra, Bikram Sambat two thousand and seventeen. In case of doubt, the English text will prevail.

SD/- HARISHWAR DAYAL
For the Government of India

SD/- RAM NARAYAN MISHRA
For His Majesty's Government of Nepal

PROTOCOL TO THE TREATY OF TRADE AND TRANSIT BETWEEN INDIA AND NEPAL

(Vide *Article X*)

1. All Traffic in Transit shall
 - (i) be duly entered at the proper Customs Houses at the points of entry and exit,
 - (ii) pass *via* routes prescribed for such traffic,
 - (iii) comply with the following procedure:
 - (a) The import/export licence authorising importation/exportation of the goods to or from the territory of one Contracting Party shall be produced before the Customs Officer at the point of entry of the goods in the territory of the other Contracting Party (hereinafter referred to as "Country of Transit") .
 - (b) Except in the case of goods imported or exported by Their Majesties, other privileged members of the Royal Family of Nepal, and by His Majesty's Government of Nepal (including those received by it as foreign aid), a bond with suitable guarantee shall be executed by the importer/exporter or by his authorised agent guaranteeing and undertaking that the goods shall not be diverted *en route*.

- (c) An importer/exporter or his authorised agent shall produce within a specified period satisfactory evidence to the appropriate Customs Officer of the country of transit to the effect that the goods have duly passed into the territory of the other.
- (d) Any other detailed regulations which may be prescribed in mutual consultation by the Contracting Parties shall also be complied with.

2. Wherever it becomes necessary to break bulk in respect of a consignment in transit, such breaking shall be done only under the supervision of the appropriate Customs Officer of the Party in whose territory such break of bulk takes place.

3. Warehousing of all consignments shall be subject to the relevant laws and regulations of the Party in whose territory such warehousing occurs.

4. To facilitate the movement in transit of goods through India to and from Nepal, the Government of India agree to arrange with the Commissioners of the Port of Calcutta to assign a separate shed in the Calcutta Port area wherein all goods in transit (other than hazardous goods) may be stored pending onward transmission to or from Nepal in compliance with the procedures prescribed.

5. The Government of India taking note of the desire on the part of His Majesty's Government of Nepal to appoint Customs Liaison Officers at the port of Calcutta and Barauni railway station with a view to facilitating in collaboration with the appropriate Indian authorities, the smooth working of the procedures prescribed for the regulation of Traffic in Transit agree to accord to these officers all appropriate courtesies and reasonable facilities for the due discharge of these functions including access to examination centres, transit sheds, or transshipment points in Calcutta or Barauni railway station, in which goods in transit to and from Nepal are stored, opened for examination or transhipped. Customs examination of goods in transit at Calcutta and Barauni will normally be carried out in the presence of the Nepalese Liaison Officers.

6. The Government of India will similarly appoint, where necessary, Customs Liaison Officers in Nepal for discharging similar functions particularly in respect of goods carried to Nepal from a customs port in India in transit by air. His Majesty's Government of Nepal shall extend similar courtesies and accord similar facilities to such officers.

SD/- HARISHWAR DAYAL
For the Government of India

SD/- RAM NARAYAN MISHRA
For His Majesty's Government of Nepal

HIS MAJESTY'S GOVERNMENT OF NEPAL

Excellency:

In the course of the discussions which resulted in the conclusion of the Treaty of Trade and Transit between the Government of India and His Majesty's Government of Nepal signed today, the measures necessary to achieve the objectives of the Treaty have been discussed and the following understanding was reached:

1. With reference to Articles I & V, while Contracting Parties may follow

independent policies on trade with third countries, it is understood that if Nepal pursues a policy divergent from that of India, there will be mutual consultations so as to ensure that there is no flow into India of goods imported from third countries.

2. In regard to Article II it is agreed that:

- (a) His Majesty's Government of Nepal, having regard to their requirements of raising resources for the economic development of Nepal, may continue to levy existing import and export duties on goods imported from or exported to India. The rates of such duties shall not, however, exceed those applicable to imports from and exports to third countries. It is understood that there will be no such duties on Government to Government transactions.
- (b) The existing arrangements between the Contracting Parties for the refund to His Majesty's Government of Nepal of central excise duties on goods exported from India to Nepal are not affected.
- (c) In order to assist Nepal's industrial development the Government of India agree that His Majesty's Government may impose protective duties or quantitative restrictions on such goods as may be produced by newly established industries in the country.

3. In regard to clause (e) of Article III, it is understood that either Party may, in agreement with the other, take measures, if that becomes necessary, to secure a balance in mutual payments, to prevent the smuggling of their currencies from or to third countries, to prevent the re-entry into its territory of goods passed in transit or to prevent the re-export of goods exported to the territory of the other.

4. Imports from third countries will normally be permitted by either country only against its own foreign exchange resources except for capital goods, spares and industrial raw materials which may be imported against foreign investment. Neither party will, however, issue any import licence on the basis that the foreign exchange required for it will be arranged by nationals of the other party.

5. With reference to Article XIII of the Treaty, it has been agreed that inter-governmental consultations shall for the time being be carried out through normal diplomatic channels on the request of either Party at a place and time to be mutually agreed upon, the meetings being held within 30 days of the request.

I shall be grateful if you would kindly confirm that the above correctly sets out the understanding reached between us.

Accept, Excellency, the assurances of my highest consideration.

SD/- RAM NARAYAN MISHRA
 Minister for Commerce & Industry,
 His Majesty's Government of Nepal,
 September 11, 1960

HIS EXCELLENCY SHRI HARISHWAR DAYAL
 Ambassador Extraordinary and
 Plenipotentiary at the Court of Nepal,
 Indian Embassy, Kathmandu

AMBASSADOR OF INDIA
KATHMANDU, SEPTEMBER 11, 1960
BHADRA 20, 1882 (SAKA)

Excellency:

I write to acknowledge receipt of your letter of today's date which reads as follows:

(text as above)

I confirm that the foregoing correctly sets out the understanding reached between us.

Accept, Excellency, the assurances of my highest consideration.

SD/- HARISHWAR DAYAL
Ambassador of India

HIS EXCELLENCY SHRI RAM NARAYAN MISHRA,
Minister for Commerce & Industries,
His Majesty's Government of Nepal, Kathmandu

(India's Trade Agreements With Other Countries : Director, Commercial Publicity,
Ministry of Commerce and Industry, Government of India, New Delhi: 1962 : 122-27)

75. Press note issued by the Nepalese Ministry of Foreign Affairs on the discussions held in New Delhi between the representatives of India and Nepal regarding trade and transit, Kathmandu, May 19, 1961

MEETINGS between the Indian and Nepalese trade delegations on Article eight of the Treaty of Trade and Transit between the two countries were held in New Delhi from 1st to 11th May 1961. The treaty which came into force from 1st November 1960 provides for periodical consultations between two Governments in order to resolve the difficulties which might arise from its implementation. It was fully appreciated on both sides that it was in the common interest of Nepal and India that the procedure for transit of goods through Indian territory should be such as to prevent to the largest possible extent any diversion of goods *en route* and that all means to try to simplify and speed up the procedure of transit traffic should be adopted subject to reasonable safeguard. The talks were held in order to remove some of the procedural difficulties which had come to light in the working of the arrangement to further the transit of the goods to Nepal through the Indian territory.

Agreed minutes of the discussion were signed today by Mr. Nara Pratap Thapa, Ambassador of Nepal in India and Shri Ranganathan, Secretary, Ministry of Commerce and Industry of Indian Government and the agreed recommendation[s] will be implemented as soon as they are formally accepted by the two Governments.

One of the difficulties of the Nepalese importers was in regard to the bonds which had to be executed under the rules of the goods in transit to Nepal. And it was represented that this led to the lock up of the capital of the Nepalese importers for considerable time. It was agreed in the discussion that

the amount of the bond would be drastically scaled down. As His Majesty's Government of Nepal had appointed an agent for clearing the bulk goods, the Indian delegation agreed that a general bond with smallest possible amount of surety be executed by this agent and for this purpose. To facilitate the free movement of the passengers, their baggages, the Indian delegation further agreed to considerably relax the procedure at present being followed, and to permit *bona fide* baggage to pass in transit without special formality, even if such happens to be not strictly conforming to the Indian baggage rules.

The Indian delegation also agreed to allow transit of goods to Nepal by road in special circumstances.

In respect of various matters such as, where a part of the consignment was short-landed, it was decided to further simplify the existing procedure so as to avoid any hold-up. A number of other points concerning existing procedure of transit were also discussed and clarifications were given wherever necessary. The talks were held in a very cordial atmosphere and it is expected that as a result of the relaxation now agreed upon, the difficulties of Nepalese importers could be resolved substantially.

(*News from Nepal*: I(22): June 1, 1961:6)

76. Joint communique issued at the end of official level trade talks, New Delhi, August 3, 1963

AT the invitation of the Government of India a Nepalese delegation led by His Excellency, Shri Yadu Nath Khanal, the Royal Nepalese Ambassador, visited Delhi from July 26 to August 2, 1963, and had talks with officials of the Government of India concerning transit facilities required by Nepal, and other matters connected with Nepal's trade. These talks took place in an atmosphere of cordiality, friendship and mutual understanding.

The Nepalese delegation stated that His Majesty's Government would require transit facilities from Radhikapur on East Pakistan-India border and Wagah on West Pakistan-India border. The Government of India would be willing, they were informed, to provide the necessary arrangements and facilities required by Nepal for the flow of its transit trade, within the framework of the Indo-Nepal Trade and Transit Treaty of 1960. His Majesty's Government were requested to indicate the expected volume of trade, Nepal's requirements of wagons and the points of destination etc. so as to enable the authorities in India to determine the character and quantum of facilities to be provided.

The Bond System provided for in the Indo-Nepal Treaty to regulate Nepal's transit trade was also discussed. The Nepalese delegation stated that as it stood in the way of the normal development of Nepal's transit trade, the Bond System should be abolished. The Indian delegation assured the Nepalese delegation that, within the framework of the Indo-Nepal Treaty the Government of India would do everything possible to facilitate Nepal's trade and to remove any practical difficulties arising out of the operation of the Bond System.

The two delegations agreed to resume discussion of this question of the Bond System at Kathmandu during the talks scheduled for October, 1963.

The Indian delegation stated that some of the tariffs of His Majesty's Government seemed to discriminate against India, and that the rates of import or export duties on some goods coming from or going to India had been increased by His Majesty's Government contrary to what, in the view of the Government of India, was contemplated in the Treaty. The Nepalese delegation contended that His Majesty's Government had observed, and were, indeed, anxious to observe the provisions of the Treaty and assured the Indian delegation that rectification, where necessary, would be promptly effected. It was agreed that there should be further exchange of information in this connection.

Nepal's needs of iron and steel goods, galvanised iron sheets etc., and the ways and means of supplying the same from India were considered at some length. The Nepalese delegation was assured that India would continue to endeavour to meet Nepal's requirements to the full, despite shortages in India and India's own pressing requirements.

It was agreed that as envisaged in the Treaty of Trade and Transit between Nepal and India, periodic consultations should take place between His Majesty's Government and the Government of India at regular intervals, and that delegations of the two countries should meet for this purpose, once every quarter, at Delhi or Kathmandu as convenient. The Indian delegation has thankfully accepted His Majesty's Government's invitation to visit Kathmandu for the next series of talks in October, 1963.

(*Foreign Affairs Record*: IX(8): August 1963: 168-69)

77. Question in the Rajya Sabha on transit facilities for Pak-Nepal trade, New Delhi, September 11, 1963

Shri N. Sri Rama Reddy [Congress]: Will the Minister of International Trade be pleased to state the implications of the recent Pak-Nepal Trade Agreement regarding transit facilities and customs duties in India in respect of goods intended for export-import to and from those two countries?

The Minister of International Trade (Shri Manubhai Shah): Transit facilities from Radhikapur and Wagha on East and West Pakistan border[s] respectively to points on the Indo-Nepalese border was the subject of discussion with the Nepalese Delegation which recently visited India. The Indian Delegation assured the visiting Delegation that the Government of India would be willing to provide the necessary arrangements and facilities required by Nepal for the flow of its transit trade within the framework of the Indo-Nepal Trade and Transit Treaty of 1960. The Nepalese Delegation were requested to indicate the expected volume of trade, Nepal's requirements of wagons and the points of destination etc., so as to enable the authorities in India to determine the character and quantum of facilities to be provided.

There are no implications of any kind in so far as customs duties on Nepalese or Pakistani goods in transit through India are concerned.

Shri N. Sri Rama Reddy: I find from the statement that the trade evidently involves both imports and exports from and to Nepal, I would like to know

whether any distinction is made between imports made by Nepal from Pakistan and exports made to Pakistan in the matter of granting concessions and transit facilities.

Shri Manubhai Shah: No, Sir. The agreed quantities which are allowed via Radhikapur and Wagha for East and West Pakistan are specified. Within that specification they are allowed to move freely.

Shri N. Sri Rama Reddy: Do I understand it means specification in respect of quality and quantity of goods?

Shri Manubhai Shah: Both and value also.

Shri N. Sri Rama Reddy: May I also know if there is any ban placed on goods of a military nature?

Shri Manubhai Shah: Well, Sir, it is rather a delicate question and I would suggest that there is nothing of any strategic value that passes. But I would not like to elaborate on that.

Shri A. D. Mani [Independent]: May I ask the Minister what are the categories of goods allowed to be exported under this agreement?

Shri Manubhai Shah: The list is very large and if the Honourable Member is interested he can see the Pakistan-Nepal agreement, which is reproduced in the *Indian Trade Journal*. All the aspects of the problem are given there.

Shri N. Sri Rama Reddy: Two points are mentioned here, namely, Radhikapur and Wagha in East and West Pakistan borders respectively. By this I am led to infer that through these transit facilities there is a possibility of trade flowing from Nepal to West Pakistan and from West Pakistan to East Pakistan. I would like to know whether necessary safeguards have been secured in respect of preventing such trade through Nepal taking place.

Shri Manubhai Shah: How does that arise? It is for bilateral trade, from East Pakistan to Nepal as also from West Pakistan to Nepal and *vice versa*. There is no question of Nepal being used as a jumping of ground for trade between East Pakistan and West Pakistan. It will be terribly expensive for anybody to use that route and no trader will do it.

Shri B. M. Chordia [Jana Sangh]: May I know, Sir, how many cases of smuggling took place in the name of friendship and were caught? [*Unofficial translation*]

Shri Manubhai Shah: Our relationship with Nepal is so good, that I would request the Honourable Member not to ask such questions. Making such allegations will not help. [*Unofficial translation*]

Shri B. M. Chordia: I am not making allegation. I want to know if there is any case like that. [*Unofficial translation*]

(*Rajya Sabha Debates*: XLIV(21): September 11, 1963: Cols. 3606-09)

78. Joint communique issued at the end of official level trade talks, Kathmandu, October 23, 1963

IN accordance with the agreement to hold periodic consultations, a meeting of officials of His Majesty's Government of Nepal and the Government

of India was held in Kathmandu from October 17 to October 23, 1963, to review the working of the Treaty of Trade and Transit. The discussions were held in an atmosphere of understanding and cordiality. The main subjects discussed were (1) the abolition of the bond system, (2) discrimination against India in the Nepalese tariff, and (3) transit facilities for Nepal's trade with Pakistan.

In a spirit of brotherly relations and of mutual accommodation, the two delegations agreed that the bond system should be abolished. They also agreed to the adoption, instead, of a simple new procedure which could safeguard the interests of the Nepalese importer/exporter as well as those of the Government of India. The bond system will be abolished with effect from December 1, 1963 and the Nepalese importer/exporter will not be required to execute a bond when his goods are carried by Indian Railways at railway risk or when they are transported direct by air by scheduled/chartered flights. In other cases, mutual interests are proposed to be safeguarded by insurance or other methods.

As regards Nepal's tariff, the Nepalese delegation reaffirmed their adherence to the principle of non-discrimination against India and their willingness to rectify cases of discrimination.

In regard to the Nepal-Pakistan trade, the Indian delegation repeated the assurance that all facilities would be provided for this trade under the provisions of the Indo-Nepalese Treaty of Trade and Transit. It was also conveyed to the Nepalese delegation that the date from which Nepal-Pakistan transit trade could commence *via* Radhikapur would be intimated to His Majesty's Government of Nepal by December 1, 1963.

(*Rajya Sabha Debates*: XLV(3): November 20, 1963: Cols 440-41)

79. Joint press note issued at the end of official level trade and transit talks, New Delhi, February 3, 1964

At the invitation of the Government of India, a Nepalese Delegation led by His Excellency Shri Krishna Bom Malla, Secretary for Commerce, His Majesty's Government of Nepal, visited Delhi from January 28 to February 3, 1964. During this period, the Nepalese Delegation discussed with a Delegation of the officials of the Government of India questions relating to the Indo-Nepal Treaty of Trade & Transit, 1960. These discussions were held in a cordial atmosphere marked by sympathetic and friendly understanding of each other's point-of-view.

As a result of these discussions, the two delegations decided to make a recommendation to their respective Governments for the adoption of an agreed procedure to regulate the movement of goods of Nepalese origin from one part of Nepal to another through Indian territory. It is hoped that the procedure, when approved by the two Governments, will facilitate this movement and remove the difficulties stated to be experienced at present.

The extent to which the existing Railway and other facilities at Radhikapur can be availed of for the transit of Nepal's trade with Pakistan, and the cost of services and supervision to be provided by the Indian authorities

at Radhikapur were also discussed. Further discussion on this subject will take place at the next meeting of the two delegations.

There was a broad measure of agreement between the two sides on a number of other matters, which came up for discussion.

The Delegation of India have gratefully accepted the invitation of the Nepalese Delegation to visit Kathmandu for the next round of talks in October, 1964.

(Rajya Sabha Debates: XLVI (12): February 25, 1964: Col. 1920)

80. Joint communique issued at the end of Mr. Manubhai Shah's visit to Nepal, Kathmandu, February 22, 1964

AT the invitation of His Majesty's Government of Nepal, Mr. Manubhai Shah, Minister of International Trade of India, paid visit to Nepal from February 19 to February 22. Mr. Shah conveyed to the Government and the people of Nepal the fraternal greetings and good wishes of the Government and the people of India on the auspicious occasion of Nepal's National Day. The Minister and the party accompanying him are glad to have opportunity of witnessing the National Day celebrations which demonstrated the progress achieved in recent years in the tasks of national reconstruction.

The Minister of International Trade had an exchange of views with His Majesty's Minister of Commerce and Industry and other members of His Majesty's Government concerning trade between the two countries and ways and means of promoting collaboration between India and Nepal with a view to stimulating mutual economic co-operation between India and Nepal. These talks were most friendly, cordial and fruitful and were marked by a continuing realisation of the basic identity of commercial, economic and other interests of the two countries.

His Majesty's Minister of Commerce and Industry informed India's Minister of International Trade that according to the statistical data available with His Majesty's Government, trade between the two countries had more than doubled between the years 1958 and 1962 and there were indications that the volume of trade had further increased during the year 1963. The two Ministers expressed satisfaction over this development and were confident that the rate of increase in mutual trade will go up still further in the years to come. Towards this end each country would try to buy more and more consumer and manufactured goods from the other. The two Ministers further agreed between each other that each country would endeavour to meet the needs of the other of goods produced by it.

His Majesty's Minister of Commerce and Industry explained the need for Nepal to diversify her trade. Shri Manubhai Shah stated that India appreciated Nepal's desire to diversify her trade and assured Nepal of India's co-operation in this regard in accordance with the Nepal-India Treaty of 1960.

The two Ministers gave detailed consideration to the ways and means of encouraging the establishment of suitable industrial enterprises in Nepal. India's Minister of International Trade conveyed the Government of India's agreement to extend, to start with, a loan of Indian rupees 10 million to His

Majesty's Government to be utilised for buying capital goods in India as also for investment in and loans to industrial ventures to be established in Nepal. A Nepalese delegation will shortly visit India to discuss details and to execute the loan agreement¹. The two Ministers also expressed the hope that industrial enterprises in various fields like paper, jute, textile and others would be set up in Nepal before long.

India's Minister also assured His Majesty's Government of the continued co-operation of Government of India in providing training facilities to Nepalese technicians and youngmen in diverse fields of technology and expertise in Indian universities and institutions. His Majesty's Minister thanked India's Minister for this offer and also expressed His Majesty's Government's appreciation of similar facilities provided in the past.

In order to familiarise businessmen and people of Nepal and India with the range of Nepalese and Indian manufactures it was agreed that an Indian Exhibition and Trade Fair will be held at Kathmandu in the autumn of 1964 and similar Nepalese Exhibition in India will be held at a suitable date. It was also agreed that Nepal and India will exchange more delegations so as to promote the expansion of trade and commercial relations between the two countries.

(*National Diary* : I(8,9) : 1964 : 81-82)

81. Joint Press note issued at the end of official level trade and transit talks, Kathmandu, November 27, 1964

At the invitation of His Majesty's Government of Nepal, an Indian Delegation led by Shri V.M.M. Nair, Joint Secretary of the Ministry of External Affairs of the Government of India, visited Kathmandu from the 22nd to the 27th November 1964. During this period, the Indian Delegation discussed with the Delegation of His Majesty's Government various questions relating to the Treaty of Trade and Transit signed between the two countries in 1960. The discussions were held in a cordial atmosphere marked by sympathetic and friendly understanding of each other's point of view.

The provision of facilities for transit trade between Nepal and East Pakistan *via* Radhikapur had been a long-standing issue between these two countries. There were prolonged and friendly discussions with a view to come to a satisfactory agreement and the two delegations appreciated each other's point of view, but no decision was reached².

The two delegations reached friendly understandings on a number of other matters which were discussed.

The Delegation of Nepal has gratefully accepted the invitation of the Indian Delegation to visit New Delhi for further talks in May 1965.

(*Press Information Bureau, Government of India*)

¹ The loan agreement was signed on September 29, 1964; see page 150.

² A spokesman of the Nepalese Commerce Ministry told the Nepalese News Agency in Kathmandu on November 28 that non-availability of transit facilities *via* Radhikapur would not only hamper Nepal's trade with Pakistan but also her trade with other countries. He charged that "it is a complete breach of the Nepal-India Trade and Transit Treaty of 1960 to deprive Nepal of her right to have transit facilities *via* Radhikapur." He indicated that Nepal would have to explore some other ways of diversifying its trade.

82. Question¹ in the Lok Sabha on trade talks, New Delhi, December 9, 1964

Will the Minister of Commerce be pleased to state:

- (a) whether talks were recently held between the Governments of India and Nepal on the subject of providing transit facilities for trade between Nepal and Pakistan;
- (b) whether the said talks have broken down; and
- (c) if so, the reasons therefor?

* * * * *

The Minister of Commerce (Shri Manubhai Shah): (a) to (c). The recent talks between Nepalese and Indian delegations covered not merely the question of providing facilities for transit, but also a number of other matters. Agreement was reached on the latter problems. In regard to transit trade, necessary facilities have already been offered by us to His Majesty's Government of Nepal at Radhikapur, and the question of service charges to be levied for supervision and handling of transit traffic, as provided for in the Indo-Nepal Treaty of Trade and Transit, was discussed in particular at these talks. Service charges had been worked out earlier by us on the basis of the estimated traffic and the services to be rendered at Radhikapur. In light of the review made during the recent talks in Kathmandu on this subject, the Indian delegation suggested a charge of Re. 1.50 paise per tonne (in wagon loads) and 50 paise per parcel. The Nepalese Delegation desired that no service charges should be levied at all for this supervision and handling as was the case for transit trade through Calcutta.

It is true that the Government of India do not collect any general service charge in providing service and facilities for transit for Nepalese transit trade through Calcutta Port. Even so, for certain special types of services, small charges are collected on transit trade passing through the port of Calcutta. However, it may be recalled that the facilities in Calcutta were already existing for the large sea-borne trade of India through Calcutta Port and therefore the transit trade from Nepal could be handled through the same equipment and personnel without any additional cost to the Government of India. But in case of Radhikapur, these facilities for staff and equipment have to be provided anew for handling the Nepalese transit trade. Therefore, while the Government of India was providing all facilities for transit of Nepalese transit trade through port of Calcutta without any general service charge, it was but natural that the actual cost of transport and supervision for the transit trade at Radhikapur should be charged as a service charge. It is not at all a custom[s] duty nor an import duty, nor a custom[s] inspection fee as reported in certain foreign newspapers.

I may recall for the information of the honourable members the provisions as embodied in the Treaty of Trade and Transit between India and Nepal. Article IX stipulates that "Traffic in transit shall be exempt from Customs Duty and from all Transit Duties or other charges imposed in respect of transit, except reasonable charges for transportation and such other charges as are commensurate with the costs of services rendered for the supervision of such transit."

It is only in accordance with the above provision that, as I have stated earlier, this service charge proposed by India is very very small and at

¹ The question was asked by 11 members.

Rs. 1½ per tonne it works out to less than 30 US cents per tonne or less than 2¼ shillings per tonne.

As honourable members are aware, His Majesty's Government of Nepal and the Government of Pakistan entered into a Trade Agreement in 1962 providing for exchange of goods of the value of Rs. 1 crore on either side, and this would work out on an average to about 10,000 (Ten Thousand) tonnes of goods in transit and, therefore, the proposed charge of Rs. 1.50 per tonne would mean an amount of about Rs. 15,000 per year as total charge on a transit trade of Rs. 1 crore. There has been some misunderstanding on this point and everybody will appreciate and realise the insignificant quantum of the charge that India has proposed. The talks on this issue are expected to be continued in the near future and it is hoped that mutually satisfactory solution will be arrived at.

It is not India's intention at all to hamper the growth of trade between Nepal and Pakistan or Nepal's trade with any other country of the world. We have always believed in diversification of trade of every country and in case of Nepal, therefore, in view of our great friendship and strong ties with Nepal, India has extended all possible facilities required for Nepal's transit trade through India. In all international conferences on trade and economic matters it has been observed that India's policy on transit trade with her land-locked neighbours has been highly appreciated.

Shri Hari Vishnu Kamath [Praja Socialist Party]: Before you permit me to put the usual supplementary questions, may I invite your attention to the fact that the Minister in the opening sentence of his reply referred to the fact that the Indo-Nepal talks covered wide ground and also discussed a number of other matters but he said that about the latter there has been no agreement or something to that effect. What is the 'latter' thing? He did not specify it; he did not make it quite clear. Usually, the Minister is clear, but on this he slipped a little and he did not...

Mr. Speaker: He should now put the supplementary question.

Shri Hari Vishnu Kamath: I wish he had been clear on that point. Is it a fact that since the completion of the Kathmandu-Lhasa road, the Nepal Government is being subjected increasingly to Chinese blandishment and pressure, and did the Government representatives at this Conference¹, during the talks, gain the impression that Nepal apparently under the influence of China, is drawing closer to Pakistan which is the new ally of China—the unholy alliance of China and Pakistan is now well-known—and, if so, what exactly is the latest position with regard to this matter?

Shri Manubhai Shah: The assumption is totally wrong and unwarranted, from the recent talks, it was clear that the trade with India is far more extending than with any other country in the world that Nepal is trading with.

Shri Hari Vishnu Kamath: Is it a fact that the quantum, the volume, of trade with Nepal which showed a slight spurt earlier this year after the visit of the then Minister without Portfolio and the present Prime Minister, Shri Lal Bahadur Shastri, to Nepal—it showed a slight spurt at that time—has been showing in recent month[s]...

¹ Transit talks of November, 1964.

Is it a fact that India's volume of trade with Nepal which had shown a slight spurt earlier this year has been showing a downward trend during the recent months and that Pakistan's trade with Nepal has shown a corresponding increase?

Shri Manubhai Shah: The trade between India and Nepal is continuously and steadily rising. There has been neither a spurt nor a downfall. It is still higher than what it was previously and it continues to expand.

As far comparison with other countries, I need not enter into such a comparison, because more than 90 per cent of the trade of Nepal with the foreign world has been with India.

Shri Yashpal Singh [Independent]: Have the Government considered the question that in view of Nepal's growing relations with China and Pakistan, Nepal has lost the right to sit at a conference table with India for a discussion. [*Unofficial translation*]

Shri Manubhai Shah: It is not so. As I have stated in my statement, there is agreement on a number of things. Just now Shri Kamath had asked and I had stated that we had reached agreement on many things; only there is no agreement on service charges. There will be further negotiations. The talks have not broken down. [*Unofficial translation*]

Shri Nath Pai [Praja Socialist Party]: In view of the fact that the Honourable Minister himself has admitted that the negotiations eventually broke down on what he himself called an insignificant paltry sum of Rs. 15,000, whereas Indo-Nepalese friendship is inestimable and worth crores of rupees, would it not have been in the interests of India and Nepal (since Nepal constitutes the king-pin of the whole scheme of Himalayan security and safety), and would it not have been worth the while if India, instead of taking this strict attitude of quoting one section of the treaty, had taken generous and broad attitude seeing that this was not a commercial enterprise alone but a political decision? If the Honourable Minister's contention was that the sum involved was only Rs. 15,000 why did Government allow the talks to break down?

Shri Manubhai Shah: As I said, there is no breakdown. On several points or a large number of points, there was complete agreement. On this matter, it is a provision of the treaty between the two countries, which has been accepted on both sides, that the Government of India can charge a service-charge for transport and other facilities. We are only asserting our right according to the cost we have to bear.

Shri Nath Pai: The Honourable Minister has said that there is no breakdown. This is of vital national interest. So, may I submit that...

Mr. Speaker: But the talks are also to be continued.

Shri Nath Pai: But let me point out that the whole Nepali press is full of frenzied anti-Indian propaganda right now because of what the Honourable Minister has described as a small failure. Has the Honourable Minister's attention been drawn to this? This is a very vital matter.

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Shri D. C. Sharma [Congress]: I think we have been providing transit facilities to other countries also in the past, and perhaps we are providing transit facilities to other countries even now. May I know what our terms

were for transit facilities for the other countries, and whether the terms that we offered to Nepal are in excess of those terms which we had offered to the other countries or fall short of them?

Shri Manubhai Shah: I am glad that this question has been raised. We gave much more favourable terms to Nepal. As a matter of fact, we are levying a service-charge under the international convention for all transit trade between one country and another in the world.

Shri D. C. Sharma: What are the countries to which we have been providing these facilities in the past and also now, and what are the terms offered to them?

Shri Manubhai Shah: I shall illustrate it by giving an example. Our trade with Iran passes through Pakistan. Pakistan, under this international convention, charges one-sixteenth of the total import duty on every commodity that India buys from Iran to Indian destinations and that India sends to Iran. Thus Pakistan is charging much more than what we have proposed; it may be about ten or fifteen times what we have proposed per ton for the transit trade between India and Nepal.

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Shri Nath Pai: I wanted to draw your attention to a little lacuna in the statement made by the Minister who is usually alert. The communique¹ that was issued at the conclusion of the talks between the Government of India and the Government of Nepal on transit facilities, a 23-line communique said—I want him to note—that the talks have not been successful. I want to know whether a communique to that effect was issued or not? And how does he reconcile that with his statement now?

Shri Manubhai Shah: If the Honourable Member looks into the whole communique—not just this point regarding this small difference—he will not find any difficulty in appreciating what I said. I again request the Honourable Member and others who are interested in this that there are always bound to be some matters, some little differences, even between the closest friends. Nepal is a very very close friend of India. We do not think this small difference will stand in the way of any further talks which will be resumed and the difference resolved.

(*Lok Sabha Debates* : XXXVI(18) : December 9, 1964 : Cols. 3994-4002)

83. Joint communique issued during the visit of Mr. Manubhai Shah to Nepal, Kathmandu, January 7, 1965

THE Honourable Shri Manubhai Shah, Minister for Commerce, Government of India is on a visit to Nepal from 6th to 9th January 1965 in connection with the inauguration of India's First National Exhibition which will be opened tomorrow by His Majesty, the King of Nepal.

During this visit Hon'ble Shri Manubhai Shah, India's Ambassador Shriman Narainji and Hon'ble Shri Vedanand Jha, Minister of Commerce and Industries, His Majesty's Government of Nepal discussed general aspects of the trade between India and Nepal including the question of Nepal's Pakistan transit traffic *via* Radhikapur.

¹ of November 27, 1964.

There has been complete accord reached between His Majesty's Government of Nepal and Government of India during discussions between Shri Vedanand Jha, Minister of Commerce and Industries of Nepal and Shri Manubhai Shah, India's Minister of Commerce, today on the question of Nepal's transit trade with Pakistan *via* Radhikapur.

It was agreed between the two Ministers that transit facilities *via* Radhikapur should commence by the 1st of February 1965 and His Majesty's Government will pay the railway service charges in accordance with the schedule as finalised.

(Courtesy : Government of India, Ministry of External Affairs)

84. Joint statement issued at the end of official level trade talks, New Delhi, August 6, 1966

At the invitation of the Government of India, a Nepalese Delegation led by Shri K. A. Dikshit, Acting Secretary for Commerce, His Majesty's Government of Nepal, visited Delhi from August 3 to August 6, 1966 and discussed with a Delegation of the officials of the Government of India, led by Shri B. D. Jayal, Joint Secretary, Ministry of Commerce, questions relating to trade between the two countries. The discussions were held in an atmosphere of cordiality, friendship and mutual understanding. The main subjects discussed from Nepal's side were export of Nepalese manufactures to India, increase of quotas of various goods being received by Nepal from India and from the side of India differential Nepalese tariff and re-export of Indian goods from Nepal to third countries.

The Nepalese Delegation stated that India should permit import of manufactured goods from Nepal freely. The Indian Delegation stated that Government of India appreciated the desire of Nepal to find a market for their manufactured goods in India, but such goods could not be accorded a preferential treatment over similar Indian manufactures. Both the Delegations expressed a sincere hope and desire that a mutually satisfactory solution to this matter may be worked out in future talks between the representatives of the two Governments.

The Nepalese Delegation asked for increased supply of *maida*, iron and steel, lubricants, and fertilisers to meet the growing demands in Nepal. The Indian Delegation assured the Nepalese Delegation that India would consider these requests and would endeavour to meet Nepal's requirements as far as possible despite shortages in India's own pressing requirements.

The Indian Delegation raised the question of differential Nepalese tariffs. The Nepalese Delegation stated that whenever instances of discriminatory tariff had been pointed out in the past, they had been remedied and would be similarly remedied in future also. It was agreed that as soon as the Indian budget is presented in future, information about changes in Central Excise, if any, should be sent to His Majesty's Government of Nepal, so that necessary corrections may be made in Nepal's tariff to prevent discrimination.

The question of Nepal imposing a ban on re-exports of Indian goods was discussed. The Nepalese Delegation stated that Nepal has been taking, and would continue to take, all necessary steps as far as feasible to ensure that

goods exported by India to Nepal are not re-exported to other countries. The Nepalese Delegation desired that India may also take steps to prevent diversion of goods exported from Nepal to India.

The Nepalese Delegation extended an invitation to the Indian Delegation to hold the next round of talks in Kathmandu.

The Nepalese Delegation, during its stay, called on the Minister of Commerce and the Commerce Secretary.

(*Foreign Affairs Record*: XII(8): August 1966 : 212-13)

85. Joint communique issued at the end of official level trade talks, Kathmandu, December 28, 1966

IN pursuance of the provisions of Article XIII of the Treaty of Trade and Transit, the Delegation of Nepal led by Shri Kumarmani A. Dikshit, Acting Secretary, Ministry of Commerce and Industry, His Majesty's Government of Nepal and the Delegation of India, led by Shri K. B. Lall, Secretary, Ministry of Commerce, Government of India, held talks with each other from December 20, 1966 to December 27, 1966. These talks were held in the traditional spirit of cordiality and friendship and yielded solutions for some of the difficulties, which had been experienced in effectively implementing the provisions of the Indo-Nepal Treaty.

The developments which have taken place in Nepal in the field of trade promotion since the conclusion of the Treaty were noted with satisfaction. It is hoped that the conclusions reached in the current round of discussions will prove helpful to the expansion of mutual trade and to the diversification of Nepal's trade.

The Indian Delegation gave expression to the Government of India's keenness to aid and assist in the process of industrialisation. In this connection the proposal for the formation of a Joint Industrial Co-operation Council was discussed and it was envisaged that it would be set up as early as possible. The proposed terms of reference for the Council include, *inter alia*, co-operation between their respective Industrial Development Corporations and the preparation of feasibility studies and project reports.

Both Governments have agreed to make further endeavours severally and jointly to make available to each other, commodities and products which one country needs from the other and to avoid to the maximum extent possible diversion of commercial traffic or deflection of trade.

An Inter-Governmental Joint Committee has been set up to resolve, for the mutual benefit of the two countries, such difficulties as may arise in practice. This Committee would meet once every quarter alternately in Kathmandu and New Delhi.

Some of the difficulties experienced in the movement of goods across the Indo-Nepal border have been resolved; for instance, procedures regarding piece-meal clearance of goods or inspection of broken or damaged consignments at border rail-heads or expeditious settlement of claims and provisions of crane facilities have been agreed upon. It has been decided that difficulties which may arise in future will be referred to the Border Committee,

which has been formed and to which representatives of the concerned Departments and State Governments will also be invited.

Matters relating to the levy of excise duties and import duties on trade exchanges between the two countries were discussed. On the question of the export of Nepalese manufactures to India, agreement has been reached providing for the waiver of the countervailing charge, that is Additional Duty leviable in lieu of Indian excise. A procedure for the exports of some manufactures has been adopted whereas for others the procedures are expected to be completed before February 1, 1967.

The two Delegations discussed the question of Nepalese tariff discriminatory to India and of the refund of additional and special excise duties to Nepal and agreed to further discuss the matter later with a view to arriving at a mutually satisfactory solution.

To provide further facilities for transit traffic across India and to remove the difficulties which have been experienced by the Nepalese importers/exporters, it has been agreed that all import cargo arriving at the port of Calcutta will be moved in the first instance to the transit shed, from where it will be expeditiously cleared by the Customs authorities in Calcutta. It has also been agreed that Indian laws will not apply to the transit trade of Nepal. In the event of discrepancies between the import licence and relevant invoices, the concerned consignments will be moved under a note of discrepancy, subject to regularisation in due course by the Nepali authorities. It was agreed that suitable alternatives to the procedure relating to import licences would be further considered.

The Indian Railway authorities will endeavour to move Nepali import and export cargoes expeditiously. A Working Group of Indian and Nepalese railway officials will be set up to consider how these arrangements can further improve, including the proposal for Nepal to own or rent its own wagons.

It was also agreed that the question of road movement for transit traffic would be considered by the Joint Committee.

It was also agreed that air passengers to and from Nepal along with their accompanied baggage would be accorded the internationally accepted transit facilities.

The proposal to provide a separate and self-contained space for handling Nepalese cargo at an Indian port in West Bengal has been agreed to in principle. The matter will be discussed further between the two Governments in the light of the study which is proposed to be made of the arrangements which are in force for the movement of cargoes from the ports of Rotterdam, Trieste and Hamburg to land-locked States.

The movement of *Ganja* from Nepal to India has been prohibited.

The two delegations recognised that the close connections between the economies of the two countries promote mutual benefit and also gives rise, from time to time, to certain difficulties. They are convinced that the arrangements which they have agreed upon will help to remove these difficulties and strengthen economic co-operation and promote economic progress for the benefit of both the countries.

(ii) ECONOMIC CO-OPERATION

86. Press conference of Mr. Jawaharlal Nehru, New Delhi, February 28, 1952 (Excerpts)

Question: Could you tell us anything about the recent events in Nepal and the reported offer by India to supply military advisers to Nepal?

Answer: Our attitude is to help without interference in maintaining stability and progress in Nepal. It is a broad answer to that question.

Recently we had a request—it was when the Prime Minister of Nepal came here two or three months ago. We discussed various matters and came to agreements, purely informal agreements. Among them was a desire for us to help them to reorganise their defence forces. In pursuance of that wish of theirs we have sent a small mission¹ there a few days ago—yesterday I think it went. This mission will investigate and report to the Nepalese Government as well as to us as to what steps should be taken to that end.

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Question: Two of our Advisers have been withdrawn from Nepal recently. Why?

Answer: As a matter of fact one of them has completed his full year and the other one was on the verge of doing it. And the Nepalese Government—not that they did not want any assistance, they do want it—wanted more junior people and we are considering that. The advisers were sent to help them in the initial stages to draft all kinds of rules and regulations about how the Government machinery should function and so on, because you must remember that they started from scratch. They had no rules or regulations of any kind. In the old regime the Prime Minister just issued a decree or order for anything and everything. So these officers were sent and they have drawn up all these things and have put, at any rate on paper, an organisation for the Government to function and to some extent it will be given effect to. So that the immediate task is over and the rest becomes rather political advice.

Question: Has this anything to do with the agitation by some people—younger elements including Mr. B. P. Koirala—against Indian interference in Nepal?

Answer: First of all, I do not think it has anything to do with that. But may I say another word?

There is a good deal of talk on Indian interference among some people but as the present Prime Minister of Nepal himself has denied it, I need not say much. We have taken particular care not to interfere. We have given advice when it is sought. Their Prime Minister has come here on two occasions; the King was here some time back. Naturally when they come we discuss matters and give them advice—naturally in two matters more particularly in which we are closely associated, that is, matters of foreign policy and defence. Not by any formal agreement. We have no alliance or anything of that kind, but simply because both these matters are common to us, consultations occasionally take place when necessary. For the rest, we are interested in the economic development of Nepal, and I believe various

¹ See page 37.

schemes for such development are being framed by the Nepal Government, and then they will consult us about them.

One of the immediate needs, of course, is communications—a road to Nepal from India as well as roads within Nepal. It is highly important, and we propose to send engineers and other help for this purpose.

As you mentioned Mr. B. P. Koirala, I might say something. In Nepal, during the last year, a great many changes have taken place. Remember, the changeover in Nepal took place in February last year—slightly over a year ago. It is not a long period. And during this year also, many things have happened. Now, among other things, this sudden change released all kinds of forces in Nepal which were previously suppressed. And there are in Kathmandu at present numbers of small groups, may be, not more than half a dozen in a group: they call themselves political parties—and some of these small groups criticise the Government or talk about Indian interference. I do not think they really mean much by it except that they frankly say they want to be taken into the Government.

Question: It is being used as a slogan in the contest for the Congress presidency.

Answer: That is an internal matter. So far as Mr. B. P. Koirala is concerned, he has assured me on numerous occasions, if I may say so, that he wants India to help in every way. Far from objecting to Indian “interference” he wants Indian help in so many ways in Nepal.

Question: Would you encourage the flow of Indian capital into Nepal for their economic development?

Answer: Yes, certainly, we want to help Nepal; we want Indian capital to go there, so that, of course, Nepalese can utilise it to their advantage.

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Question: Is it true that while Nepalese citizens in India get practically the same treatment as Indians here we are not getting the same treatment in Nepal? We have to get a permit to go to Nepal.

Answer: I think there is some such thing. We are not attaching very great importance to it; because of conditions in Nepal we do not want to press the Nepalese to open the door to everybody. We realise their difficulties.

(Nehru, Jawaharlal: *Press Conferences: Information Services of India*, New Delhi: 1952 : 13-17)

87. Press note of the Ministry of External Affairs, Government of India, New Delhi, April 25, 1952

LOAN TO HELP NEPAL'S ECONOMIC PROGRESS

THE Nepalese Ministerial Delegation, consisting of Maj. Gen. Subarna Shamsher Jung Bahadur Rana, Finance Minister, Shri S. P. Upadhyay, Home Minister and Gen. Kaiser Shamsher Jung Bahadur Rana, Defence Minister, accompanied by the Nepalese Ambassador in India, Maj. General Bijaya Shumshere Jung Bahadur Rana and some officials of the Nepal

Government has had talks during the last four days with the Prime Minister and senior officials of the Government of India. The object of these talks has been to determine how India can best assist the Government of Nepal in reorganising its civil administration and in the economic development of the country.

As a result of these talks, it has been decided that a small group of three or four Indian officials, with necessary experience of various branches of administration, and two or three officials of the Nepal Government should make a survey of the requirements of Nepal and make recommendations. As regards economic development, it has been agreed that one or two Indian experts of the Indian Planning Commission should visit Nepal to study available survey and project reports, and suggest measures for the preparation and implementation of a coordinated programme of development.

The Government of India have agreed in principle to give financial help to Nepal in the shape of a loan, for furthering the economic progress of Nepal. The exact amount and the conditions of the loan will form the subject of separate negotiations when development plans are ready for discussion. For the present, the Government of India have agreed to finance the improvement of the Kathmandu Air-strip. The Nepalese Government have also asked for financial help to construct a road from Raxaul to Kathmandu and the Kali Hydro-Electric Project. Those proposals are being examined by the Government of India.

(Press Information Bureau, Government of India)

88. Press interview of Mr. M. P. Koirala, Kathmandu, June 3, 1954 (Excerpts)

NEPAL'S Prime Minister, Mr. M. P. Koirala said that there were certain geographical compulsions which demanded closer relations between India and Nepal. Answering criticisms by certain political parties of the presence of the Indian Military Mission and Indian Advisers in Nepal, and the Kosi Agreement, Mr. Koirala, in an interview, said that in the natural development of both the countries mutual goodwill and affection were absolutely necessary.

He said that the Indian Military Mission came to train and reorganise the Nepalese Army "at our own request made during the Coalition Government in 1951". Reorganization was over, but training was still going on. As soon as the training was over the training teams would go back.

As regards the Indian Advisers, Mr. Koirala said that there was not a single Adviser in the Administration of the Government. There were certainly some Indian Officers, who were here for technical assistance. They were under the Director of Technical Aid of the Government of India. There was a counterpart of such an organisation, known as the United States Operation Mission. As Nepal had to develop in many spheres it would certainly need experts not only today, but also for many years to come, till such time that Nepal possessed adequate know-how.

Mr. Koirala said that if a country took help in the same manner from

different countries, to interpret it as interference of just one country was nothing but "deliberate travesty of truth or utter ignorance."

He added, "Granting even there were Advisers, it is for the Government of Nepal to accept their advice or reject it. I definitely know that those people who shout at the top of their voice about India's interference had sought the help of Indian Advisers themselves to the extent of taking them into Cabinet confidence and associating them in every administrative execution. During recent times these practices had completely stopped and it ill behoves these very gentlemen now to cry of Indian interference."

KOSI AGREEMENT

Referring to the Kosi Agreement, Mr. Koirala said: "If one is determined to misunderstand a very plain situation, nobody ever can help him realise the fact. India could have very well put the barrage a couple of miles below the present agreed site, if it had no consideration for Nepal. The sovereignty and territorial rights of Nepal have not been impaired by the Kosi Agreement."

The Kosi Agreement, he said, had the advantage of saving the fertile and good lands on the western side which to the tune of one thousand *bighas* per year, were eaten up by the Kosi every year. It would also give irrigational facilities on the southern side of Saptari District, which did not get water from the Chandra Canal in Nepal Tarai. On the eastern side, the Government of India offered to construct a separate canal, which would entail an expenditure of Rs. 3 crores. The Government of Nepal wanted to utilise that money for the Trisuli Hydro-Electric Project, giving it higher priority than irrigational facilities in the east.

Mr. Koirala said that Nepal had purchased land at Jahanagar and Raxaul in Bihar for its railway, but that had not impaired Indian sovereignty rights over that land. Similarly if India purchased land for irrigation dams, which would also benefit Nepal, that could not impair Nepal's sovereignty rights over her lands. Besides, in Kathmandu some time back, land had been sold to the British Embassy, but that did not mean Britain had acquired sovereignty rights over the land. Such purchases were done in every country and there was nothing unusual about it, he said.

(*The Hindu* : June 5, 1954 : p. 10, Col 5)

89. Joint communique issued at the end of official-level talks on Indian-aided development projects, Kathmandu, November 1, 1964 (Excerpts)

STEPS to facilitate expeditious completion of the Indian-aided development projects in Nepal and their speedy transfer to the Nepalese Government upon completion, were the highlights of a joint communique issued in Kathmandu on November 1 after a joint review of these projects earlier in the week by officials of the two countries.

According to the communique, the Nepalese delegation expressed the view that the Nepalese departments concerned should play a greater role in the execution of the Indian-aided projects. This was welcomed by the Indian delegation.

It was agreed that various boards, now responsible for the implementation, should continue to function as an administrative device to provide forums for decisions, co-ordination and review only. Execution would become the responsibility of the Nepalese departments. The functioning of the boards and the need for their continuance would be reviewed jointly from time to time.

The delegations decided that members of the Indian Aid Mission, who were advisers to the Nepalese Government, would be given necessary facilities in the departments. The engineering divisions of the mission engaged in the construction of a number of projects in Nepal would be transferred to the Nepalese Government.

It was also agreed that major projects like the Trishuli, the proposed Sunauli-Pokhra Road, Chatra Canal and the Kathmandu water supply would continue to be the responsibility of agencies of the Indian Government entrusted with their execution.

The two delegations agreed that suitable Nepalese personnel should be made available both for active duty and training on the Indian-aided projects so that they would be in a position to takeover and maintain the projects after their completion.

The Government of Nepal agreed to take necessary steps to select and recruit suitable personnel of various categories from among the young Nepalese returning from India after completing various courses of study and training in technical and specialized fields.

It was also agreed that due reflection on the quantum of Indian aid would be made in the Nepal Government budget.

Both the sides expressed their anxiety to complete the Trishuli project with utmost speed. Nepal would continue its efforts to increase the labour force to the required strength to help achieve the objective.

The communique said there was every hope of commissioning the first generator of Trishuli some time in the middle of the next year.

It was agreed that work on the distribution system for the Trishuli power installed by Nepal should be stepped up to keep pace with progress of the project so that power produced could be utilized without delay.

The Indian delegation promised to consider with sympathy any request for technical assistance Nepal might require in this sphere.

(National Diary, Calcutta : I(44, 45): 1964 : 355)

90. Joint communique issued at the end of official-level talks on Indian-aided development projects, Kathmandu, May 20, 1965

THE second round of Indian Aid Review talks was held between the Delegations of His Majesty's Government of Nepal and the Government of India on May 18 and 19, 1965 at Kathmandu. The Nepalese Delegation was led by Shri Bekh Bahadur Thapa, Secretary of the Ministry of Economic Planning, and the Delegation of the Government of India was led by Shri B. K. Kapur, Special Secretary in the Ministry of External Affairs. These

talks were held in an atmosphere of friendship and cordiality. Both the sides appreciated each other's view points in the spirit of mutual understanding and co-operation.

The two Delegations reviewed the progress of various Indian aided projects since the first review in October 1964, and considered the same to be satisfactory. The two Delegations considered and agreed upon the various measures to further accelerate the rate of progress.

It was agreed that the existing Development Boards should be abolished and their functions transferred to the Departments concerned of His Majesty's Government. It was also agreed, in principle, that His Majesty's Government should fully participate in the execution of larger projects being directed and executed by the various agencies of the Government of India.

The difficulties in the supply of labour for various projects were discussed. The Nepalese Delegation undertook to take necessary steps to remove them as soon as possible. The state of progress in the Chatra Canal Project also came up for detailed review. The Nepalese delegation agreed to take prompt measures which would make for speedier progress on this important project.

Nepal's requirement of Indian assistance for their next plan was broadly discussed and it was noted that India had already committed assistance for some major projects to be implemented in the next plan. At the request of the Nepalese Delegation, the Indian Delegation agreed to investigate the possibility of providing additional assistance for the establishment of a Medical College and further development of small scale industries in Nepal. The Indian Delegation indicated that their Government would sympathetically consider the possibility of providing further assistance to Nepal after its third Plan was finished.

(Press Information Bureau, Government of India)

91. Agreement on Loan Assistance, New Delhi, September 29, 1964

WHEREAS the Government of India, at the request of His Majesty's Government of Nepal, have agreed to provide a loan in Indian rupees to assist in the establishment of industrial enterprises in Nepal, it is hereby agreed as follows:

Article I

The Government of India will make available to His Majesty's Government of Nepal a loan up to rupees one crore (Rs. 10,000,000) in Indian rupees. The loan will be utilized for the purchase of capital goods from India. The loan may also be utilised for facilitating equity investments in and cash loans to industrial enterprises in Nepal.

Article II

The loan will be utilised for establishing industrial ventures in Nepal in paper, jute, cement and textile industries and such other industries for which the requisite machinery is available in India.

Article III

Utilisation from out of the loan will be made on the basis of project-wise

proposals, indicating the anticipated requirements of funds on a half-yearly basis to be sent by His Majesty's Government of Nepal to the Government of India. His Majesty's Government will keep the Government of India informed in case there is any change in the requirements.

Article IV

In respect of the proposals referred to in Article III above, His Majesty's Government will submit a written request to the Government of India, from time to time, in order to obtain disbursements under this loan. Normally, this request would cover the requirements of funds as anticipated for a period of three months at a time. Notice of each disbursement will be furnished to His Majesty's Government by the Government of India.

Article V

The credit will be repayable by His Majesty's Government in fifteen equal annual instalments. All disbursements made in the course of one calendar year will be grouped together and the amount so arrived at will be repaid in fifteen equal annual instalments commencing from the sixteenth of July of the immediately following calendar year.

Notwithstanding the above arrangement, His Majesty's Government shall have the right to prepay to the Government of India, without any penalty, all or any of the principal sum on any date on which interest or a principal instalment payment is due. Any such prepayment shall be adjusted *pro rata* to the remaining instalments of the principal sum.

Article VI

His Majesty's Government will pay interest at three per cent on all outstanding balances. For this purpose, the interest liability will commence from the dates when amounts are disbursed by the Government of India at the request of His Majesty's Government. Interest will be paid half-yearly on sixteenth January and sixteenth July every year.

Article VII

The principal as also interest will be payable in Indian currency. No tax of any kind will be levied by His Majesty's Government on the principal and interest payable to the Government of India.

Done in New Delhi on the twentieth day of September, 1964, in two original copies in English language, both texts being equally authentic.

SD/- S. BHOOTHALINGAM

*Secretary
Ministry of Finance,
Departments of Economic
Affairs and Coordination
for the Government of India*

SD/- DR. Y. P. PANT

*Secretary
Ministry of Finance
for His Majesty's Govern-
ment of Nepal*

92. Agreement on the Kosi Project, Kathmandu, April 25, 1954

THIS agreement made this twentyfifth day of April, 1954, between the Government of the Kingdom of Nepal (hereinafter referred to as the 'Government') and the Government of India (hereinafter referred to as the 'Union').

1. SUBJECT MATTER:—Whereas the Union is desirous of constructing a barrage, head-works and other appurtenant work[s] about 3 miles upstream of Hanuman Nagar town on the Kosi River with afflux and flood banks, and canals and protective works, on land lying within the territories of Nepal, for the purpose of flood control, irrigation, generation of hydro-electric power and prevention of erosion of Nepal areas on the right side of the river, upstream of the barrage (hereinafter referred to as the 'Project');

And whereas the Government has agreed to the construction of the said barrage, head-works and other connected works by and at the cost of the Union, in consideration of the benefits hereinafter appearing;

NOW THE PARTIES AGREE AS FOLLOWS:

- (i) The barrage will be located about 8 miles upstream of Hanuman Nagar town.
- (ii) Details of the Project—The general layout of the barrage, the areas within afflux bank, flood embankments and the lines of communication are shown in the plan annexed to this agreement as Annexure A¹.
- (iii) For the purpose of clauses 3 and 8 of the agreement, the land under the ponded areas and boundaries as indicated by the plan specified in sub-clause (ii) above, shall be deemed to be submerged.

2. PRELIMINARY INVESTIGATION AND SURVEYS:—(i) The Government shall authorise and give necessary facilities to the canal and other officers of the Union or other persons acting under the general or special orders of such officers to enter upon such land as necessary with such men, animals, vehicles, equipment, plant, machinery and instruments as necessary and undertake such surveys and investigations required in connection with the said Project before, during and after the construction, as may be found necessary from time to time by the Chief Engineer, Public Works Department (Kosi Project) in the Irrigation Branch of the Bihar Government. These surveys and investigations will comprise aerial and ground surveys, hydraulic, hydrometric, hydrological and geological surveys including construction of drillholes for surface and sub-surface explorations; investigations for communication and for materials of construction; and all other surveys and investigations necessary for the proper design, construction and maintenance of the barrage and all its connected works mentioned under the Project.

(ii) The Government will also authorise and give necessary facilities for investigations of storage or detention dams on the Kosi or its tributaries, soil conservation measures such as Check Dams, afforestation, etc., required for a complete solution of the Kosi problem in the future.

3. AUTHORITY FOR EXECUTION OF WORKS AND OCCUPATION OF LAND AND OTHER PROPERTY:—(i) The Government will authorise the Union to proceed

¹ Not reproduced here.

with the execution of the said Project as and when the Project or a part of the Project receives sanction of the said Union and notice has been given by the Union to the Government of its intention to commence work on the Project and shall permit access by the engineer and all other officers, servants and nominees of the Union with such men, animals, vehicles, plants, machinery, equipment and instruments as may be necessary for the direction and execution of the project to all such lands and places and shall permit the occupation, for such period as may be necessary of all such lands and places as may be required for the proper execution of the Project.

(ii) The land required for the purposes mentioned in clause 3(i) above shall be acquired by the Government and compensation therefor shall be paid by the Union in accordance with provisions of clause 8 hereof.

(iii) The Government will authorise officers of the Union to enter on land outside the limits or boundaries of the barrage and its connected works in case of any accident happening or being apprehended to any of the said works and to execute all works which may be necessary for the purpose of repairing or preventing such accident: compensation, in every case, shall be tendered by the Union to the proprietors or the occupiers of the said land for all damages done to the same through the Government in order that compensation may be awarded in accordance with clause 8 hereof.

(iv) The Government will permit the Union to quarry the construction materials required for the Project from the various deposits as Chatra, Dharan Bazar or other places in Nepal.

4. USE OF WATER AND POWER:—(i) Without prejudice to the right of Government to withdraw for irrigation or any other purpose in Nepal such supplies of water, as may be required from time to time, the Union will have the right to regulate all the supplies in the Kosi River at the Barrage site and to generate power at the same site for the purposes of the Project.

(ii) The Government shall be entitled to use up to 50 per cent of the hydro-electric power generated at the Barrage site Power House on payment of such tariff rates as may be fixed for the scale of power by the Union in consultation with Government.

5. SOVEREIGNTY AND JURISDICTION:—The Union shall be the owner of all lands acquired by the Government under the provisions of clause 3 hereof which shall be transferred by them to the Union and of all water rights secured to it under clause 4 (i).

Provided that the sovereignty rights and territorial jurisdiction of the Government in respect of such lands shall continue unimpaired by such transfer.

6. ROYALTIES:—(i) The Government will receive royalty in respect of power generated and utilized in the Indian Union at rates to be settled by agreement hereafter.

Provided that no royalty will be paid on the power sold to Nepal.

(ii) The Government shall be entitled to receive payment of royalties from the Union in respect of stone, gravel and ballast obtained from the Nepal territory and used in the construction and future maintenance of the barrage and other connected works at rates to be settled by agreement hereafter.

(iii) The Union shall be at liberty to use and remove clay, sand and soil without let or hindrance from lands acquired by the Government and transferred to the Union.

(iv) Use of timber from Nepal forests, required for the construction shall be permitted on payment of compensation. Provided no compensation will be payable to the Government for such quantities of timber as may be decided upon by the Government and the Union to be necessary for use on the spurs or other training works required for the prevention of caving and erosion of the right bank in Nepal.

Provided likewise that no compensation will be payable by the Union for any timber obtained from the forest lands acquired by the Government and transferred to the Union.

7. CUSTOMS DUTIES:—The Government shall charge no customs duty or duty of any kind, during construction and subsequent maintenance, on any articles or materials required for the purpose of the project and the work connected therewith or for the *bona fide* use of the Union.

8. COMPENSATION FOR LAND AND PROPERTY:—(i) For assessing the compensation to be awarded by the Union to the Government in cash (a) lands required for the execution of the various works as mentioned in clause 3(ii) and (b) submerged lands, will be divided into the following classes:

1. Cultivated lands.
2. Forest lands.
3. Village lands and houses and other immovable property standing on them.
4. Waste lands.

All lands recorded in the register of lands in the territory of Nepal as actually cultivated shall be deemed to be cultivated lands for the purposes of this clause.

(ii) The Union shall pay compensation (a) to the Government for the loss of land revenue as at the time of acquisition in respect of the area acquired and (b) to whomsoever it may be due for the Project and transferred to the Union.

The assessment of such compensation, and the manner of payment shall be determined hereafter by mutual agreement between the Government and the Union.

(iii) All lands required for the purposes of the Project shall be jointly measured by the duly authorised officers of the Government and the Union respectively.

9. COMMUNICATIONS:—(i) The Government agrees that the Union may construct and maintain roads, tramways, ropeways etc., required for the Project in Nepal and shall provide land for these purposes on payment of compensation as provided in clause 8.

(ii) Subject to the territorial jurisdiction of the Government the ownership and the control of the metalled roads, tramways and railway shall vest in the Union. The roads will be essentially departmental roads of the Irrigation Department of the Union and any concession in regard to their use

by commercial and non-commercial vehicles of Nepal shall not be deemed to confer any right of way.

(iii) The Government agrees to permit, on the same terms as for other users, the use of all roads, waterways and other avenues of transport and communications in Nepal for *bona fide* purposes of the construction and maintenance of the barrage and other connected works.

(iv) The bridge over Hanuman Nagar Barrage will be open to public traffic but the Union shall have the right to close the traffic over the bridge for repairs, etc.

(v) The Government agrees to permit installation of telegraph, telephone and telegraph in the project area to authorised servants of the Government for business in emergencies provided such use does not in any way interfere with the construction and operation of Projects.

10. USE OF RIVER CRAFT:—All navigation rights in the Kosi River in Nepal will rest with the Government. The use of any water-craft like boat launches and timber rafts within two miles of the Barrage and headworks shall not be allowed except by special licence under special permits to be issued by the Executive Engineer, Barrage. Any unauthorised watercraft found within this limit shall be liable to prosecution.

11. FISHING RIGHTS:—All the fishing rights in the Kosi river in Nepal except within two miles of the Barrage shall vest in the Government of Nepal. No fishing will be permitted within two miles of the Barrage and Headworks.

12. USE OF NEPALI LABOUR:—The Union shall give preference to Nepali labour, personnel and contractors to the extent available and in its opinion suitable for the construction of the Project but shall be at liberty to import labour of all classes to the extent necessary.

13. ADMINISTRATION OF THE PROJECT AREAS IN NEPAL:—The Union shall carry out inside the Project areas in the territory of Nepal functions such as the establishment and administration of schools, hospitals, provision of water-supply and electricity, drainage, tramway lines and other civic amenities.

14. The Government shall be responsible for the maintenance of law and order in the Project areas within the territory of Nepal. The Government and Union shall, from time to time, consider and make suitable arrangements calculated to achieve the above object.

15. If so desired by the Union, the Government agrees to establish special court or courts in the Project area to ensure expeditious disposal of cases arising within the Project area. The Union shall bear the cost involved in the establishment of such courts, if the Government so desires.

16. FUTURE KOSI CONTROL WORKS:—If further investigations indicate the necessity of storage or detention dams and other soil conservation measures on the Kosi and its tributaries, the Government agree to grant their consent to them on conditions similar to those mentioned herein.

17. ARBITRATION:—If any question, differences or objections whatever shall arise in any way, connected with arising out of this agreement or the meaning or operation of any part thereof or the rights, duties or liabilities of either party, except as to decisions of any such matter as therein before otherwise provided for, every such matter shall be referred for arbitration to two persons—one to be appointed by the Government and the other by the

Union—whose decision shall be final and binding, provided that in the event of disagreement between the two arbitrators, they shall refer the matter under dispute for decision to an umpire to be jointly appointed by the two arbitrators before entering on the reference.

18. This agreement shall be deemed to come into force with effect from the date of signatures of the authorised representatives of the Government and the Union, respectively.

In witness whereof the undersigned being duly authorised thereto by their respective Governments have signed the present agreement.

Done at Kathmandu, in duplicate, this twentyfifth day of April, 1954.

SD/- GULZARI LAL NANDA
for the Government of India

SD/- MAHABIR SHUMSHER
for the Government of Nepal

CO-ORDINATION COMMITTEE FOR KOSI PROJECT

Whereas it is considered desirable to establish a forum for discussion of problems of common interest and in order to expedite decisions for the early completion of the Kosi Project, it is agreed between the Union of India and the Government of Nepal to set up a Co-ordination Committee. The Committee will consist of three representatives from each country to be nominated by the respective Governments. It is further agreed that the Chairman of the Committee will be a Minister of the Government of Nepal and the Secretary will be the Administrator of the Kosi Project. The Committee will consider such matters of common interest concerning the project including land acquisition, rehabilitation of displaced population, maintenance of law and order, soil conservation measures and such other items as may be referred to the Committee for consideration by the Government of Nepal or the Union from time to time.

2. The Committee shall meet as and when necessary at Kathmandu or at the barrage site or such other place as may be necessary at the discretion of the Committee.

3. Travelling allowance for the journeys undertaken by the Committee shall be met by the Union according to normal rates in the Union.

All other expenditure on staff, etc., of the Committee will be met by the Union.

(Nepal Trade and Information Directory: Nepal Trading Corporation, New Delhi: 1960-61: 109-13)

93. Revised Agreement on The Kosi Project, Kathmandu, December 19, 1966

Amended agreement between His Majesty's Government of Nepal (hereinafter referred to as "HMG") and the Government of India (hereinafter referred to as the "Union") concerning the Kosi Project.

WHEREAS the Union was desirous of constructing a barrage, headworks

and other appurtenant works about three miles upstream of Hanuman Nagar town on the Kosi River with afflux and flood banks, and canals and protective works on land lying within the territories of Nepal for the purpose of flood control, irrigation, generation of hydro-electric power and prevention of erosion of Nepal areas on the right side of the river, upstream of the barrage (hereinafter referred to as the 'Project').

AND WHEREAS HMG agreed to the construction of the said barrage, headworks and other connected works by and at the cost of the Union, in consideration of the benefits arising therefrom and a formal document incorporating the terms of the Agreement was brought into existence on the 25th April, 1954 and was given effect to;

AND WHEREAS in pursuance of the said Agreement various works in respect of the Project have been completed by the Union while others are in various stages of completion for which HMG has agreed to afford necessary facilities;

AND WHEREAS HMG has suggested revision of the said Agreement in order to meet the requirements of the changed circumstances, and the Union, with a view to maintaining friendship and good relation subsisting between Nepal and India, has agreed to the revision of Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:—

1. DETAILS OF THE PROJECT:—(i) The barrage is located about 3 miles upstream of Hunuman Nagar town.

(ii) The general layout of the barrage, the areas within afflux banks, flood embankments, and other protective works, canals, power house and the lines of communication are shown in the amended plan annexed to this agreement as Amended Annexure A¹.

(iii) Any construction and other undertaking by the Union in connection with this Project shall be planned and carried out in consultation with HMG,

Provided that such works and undertakings which, pursuant to any provision of this Agreement require the prior approval of HMG shall not be started without such prior approval;

And further provided that in situation described in Clause 3(iii) and Clause 3(iv) intimation to HMG shall be sufficient.

(iv) For the purpose of Clauses 3 and 8 of this Agreement the land under the ponded areas and boundaries as indicated by the plan specified in sub-clause (ii) above, shall be deemed to be submerged.

2. INVESTIGATIONS AND SURVEYS:—(i) Whenever the Chief Engineer of Kosi Project, Government of Bihar may consider any survey or investigation to be required in connection with the said Project, HMG shall, if and in so far as HMG has approved such survey or investigation, authorise and give necessary facilities to the concerned officers of the Union or other persons acting under the general or special orders of such officers to enter upon such land as necessary with such men, animals, vehicles, equipment, plant, machinery and instruments as necessary to undertake such surveys and investigations. Such surveys and investigations may comprise aerial and ground surveys, hydraulic, hydrometric, hydrological and geological surveys including

¹ Not reproduced here.

construction of drill holes for surface and sub-surface exploration, investigations for communications and for materials of construction; and all other surveys and investigations necessary for the proper design, construction and maintenance of the barrage and all its connected works mentioned under the Project. However, investigations and surveys necessary for the general maintenance and operation of the Project, inside the project area, may be done by the Union after due intimation to HMG.

In this Agreement, the "Project Area" shall mean the area acquired for the Project.

(ii) The provisions of sub-clause (i) of this clause shall also apply to surveys and investigations of storage dams or detention dams on the Kosi, soil conservation measures, such as check dams, afforestation, etc., required for a complete solution of the Kosi problems in the future.

(iii) The surveys and investigations referred to in sub-clauses (i) and (ii) shall be carried in co-operation with HMG.

(iv) All data, maps, specimens, reports and other results of surveys and investigations carried out by or on behalf of the Union in Nepal pursuant to the provisions of this clause, shall be made available to HMG freely and without delay. In turn, HMG shall, upon request by the Union, make available to the Union all data, maps, specimens, reports and other results of surveys and investigations carried out by or on behalf of HMG in Nepal in respect of the Kosi river.

3. AUTHORITY FOR EXECUTION OF WORKS AND USE OF LAND AND OTHER PROPERTY:—(i) Provided that any major construction work not envisaged in the amended plan (Amended Annexure-A) referred to in clause 1 (ii) shall require the prior approval of HMG, HMG shall authorise the Union to proceed with the execution of the said project as and when the project or a part of the project receives sanction of the said Union and notice has been given by the Union to HMG of its intention to commence work on the respective constructions and shall permit access by the Engineer and all other officers, servants, and nominees of the Union, with such men, animals, vehicles, plant, machinery, equipment and instruments as may be necessary for the direction and execution of the respective constructions, to all such lands and places, and shall permit the occupation, for such period as may be necessary, of all such lands and places as may be required for the proper execution of the respective constructions.

(ii) The land required for the purposes mentioned in Clause 3(i) above shall be acquired by HMG and compensation therefor shall be paid by the Union in accordance with the provisions of clause 8 hereof.

(iii) HMG shall, upon prior *notification*, authorise officers of the Union to enter on land outside the limits or boundaries of the barrage and its connected works in case of any accident happening or being apprehended to any of the said works and to execute all works which may be necessary for the purpose of repairing or preventing such damage. Compensation, in every case, shall be tendered by the Union through HMG to the owners of the said land for all accidents done to the same in order that compensation may be awarded in accordance with clause 8 hereof.

(iv) HMG will permit the Union to quarry the construction materials

required for the project from the various deposits at Chatra, Dharan Bazar or other places in Nepal.

4. USE OF WATER AND POWER:— (i) HMG shall have every right to withdraw for irrigation and for any other purpose in Nepal water from the Kosi river and from the Sun-Kosi river or within the Kosi basin from any other tributaries of the Kosi river as may be required from time to time. The Union shall have the right to regulate all the balance of supplies in the Kosi river at the barrage site thus available from time to time and to generate power in the Eastern Canal.

(ii) HMG shall be entitled to obtain for use in Nepal any portion up to 50 per cent of the total hydro-electric power generated by any Power House situated within a 10-mile radius from the barrage site and constructed by or on behalf of the Union, as HMG shall from time to time determine and communicate to the Union:

Provided that:—

HMG shall communicate to the Union any increase or decrease in the required power supply exceeding 6,800 KW at least three months in advance.

(iii) If any power to be supplied to Nepal pursuant to the provisions of this sub-clause is generated in a power house located in Indian territory, the Union shall construct the necessary transmission line or lines to such points at the Nepal-Indian border as shall be mutually agreed upon.

(iv) The tariff rates for electricity to be supplied to Nepal pursuant to the provisions of this clause shall be fixed by mutual agreement.

5. LEASE OF THE PROJECT AREAS:—(i) All the lands acquired by HMG under the provisions of clause 3 hereof as of the date of signing of these amendments shall be leased by HMG to the Union for a period of 199 years from the date of the signing of these amendments at an annual Nominal Rate.

(ii) The rent and other terms and conditions on which lands for Western Kosi Canal shall be leased by HMG to the Union pursuant to this Agreement shall be similar to those as under sub-clause (i).

(iii) The rent and other terms and conditions of any other land to be leased by HMG to the Union pursuant to this Agreement shall be fixed by mutual agreement.

(iv) At the request of the Union, HMG may grant renewal of the leases referred to in sub-clauses (i), (ii) and (iii) on such terms and conditions as may be mutually agreed upon.

(v) The sovereignty rights and territorial jurisdiction of HMG, including the application and enforcement of the law of Nepal on and in respect of the leased land shall continue unimpaired by such lease.

6. ROYALTIES:—(i) HMG will receive royalty in respect to power generated and utilised in the Indian Union at rates to be settled by agreement hereafter:

Provided that no royalty will be paid on the power sold to Nepal.

(ii) HMG shall be entitled to receive payment of royalties from the Union in respect of stone, gravel and ballast obtained from Nepal territory and used

in the construction and future maintenance of the barrage and other connected works at rates to be settled by agreement hereafter.

(iii) The Union shall be at liberty to use and remove clay, sand and soil without let or hindrance from lands leased by HMG to the Union.

(iv) Use of timber from Nepal forests, required for the construction, shall be permitted on payment of compensation. Provided that no compensation will be payable to HMG for such quantities of timber as may be agreed upon by HMG and the Union to be necessary for the use in the spurs and other river training works required for the prevention of caving and erosion of the right bank in Nepal.

Provided likewise that no compensation will be payable by the Union for any timber obtained from the forest lands leased by HMG to the Union.

7. CUSTOMS DUTIES:—HMG shall charge no customs duty or duty of any kind, during construction and subsequent maintenance, on any articles and materials required for the purpose of the Project and the work connected therewith.

8. COMPENSATION FOR LAND PROPERTY AND FOR LAND REVENUE:—(i) For assessing the compensation to be awarded by the Union to HMG in cash:—

- (a) Lands required for the execution of various works as mentioned in clause 3(ii) and clause 9 (i); and
- (b) Submerged lands will be divided into the following classes:—
 1. Cultivated lands.
 2. Forest lands.
 3. Village lands and houses and other immovable property standing on them.
 4. Waste lands.

All lands recorded in the register of lands in the territory of Nepal as actually cultivated shall be deemed to be cultivated lands for the purpose of this clause.

(ii) The Union shall pay compensation:—

- (a) to HMG for the loss of land revenue as at the time of acquisition in respect of the area acquired, and
- (b) to whomsoever it may be due for the lands, houses and other immovable property acquired for the Project and leased to the Union.

The assessment of such compensation and the manner of payment shall be determined hereafter by mutual agreement between HMG and the Union.

(iii) All lands required for the purposes of the Project shall be jointly measured by the duly authorised officers of HMG and the Union respectively.

9. COMMUNICATIONS:—(i) HMG agrees that the Union may construct and maintain roads, tramways, railways, ropeways, etc., required for the Project in Nepal and shall provide land for these purposes on payment of compensation as provided in clause 8. Provided that the construction of any roads, tramways, railways, ropeways, etc., outside the Project area shall require the prior approval of HMG.

(ii) Any restrictions, required in the interest of construction, maintenance and proper operation of the Project, regarding the use of the roads, etc., referred to in sub-clause (i) by commercial or private vehicles may be mutually agreed upon. In case of threatened breach or erosion of the structures on account of the river, the officers of the Project may restrict public traffic under intimation to HMG.

(iii) HMG agrees to permit, on the same terms as for other users, the use of all roads, waterways and other avenues of transport and communication in Nepal for *bona fide* purposes of the construction and maintenance of the barrage and other connected works.

(iv) The bridge over Hanuman Nagar barrage shall be open to public traffic. With prior approval of HMG, the Union shall have the right to close the traffic over the bridge temporarily if and in so far as required for technical or safety reasons. In such cases, the Union shall take all measures required for the most expeditious reopening of the bridge.

(v) HMG agrees to permit installation of telegraph, telephone and radio communications in Nepal for the *bona fide* purposes of the construction and maintenance of the Project:

Provided that the Union shall agree to the withdrawal of such facilities which HMG may in this respect provide in future.

Further provided that the Union agrees to permit the use of internal telephone and telegraph in the Project area to authorised servants of HMG for business in emergencies provided such use does not in any way interfere with the construction and operation of the Project.

10. NAVIGATION RIGHTS:—All navigation rights in the Kosi River in Nepal shall rest with HMG. Provision shall be made for suitable arrangements at or around the site of the barrage for free and unrestricted navigation in the Kosi River, if technically feasible. However, the use of any water-craft like boats, launches and timber rafts within two miles of the barrage and headworks shall not be allowed on grounds of safety, except by special permits to be issued by the competent authority of HMG in consultation with the Executive Engineer, Barrage. Any unauthorised water-craft found within this limit shall be liable to prosecution.

11. FISHING RIGHTS:—All the fishing rights in the Kosi River in Nepal shall continue to rest with HMG. However, no fishing shall be permitted within two miles of the barrage and headworks except under special permits to be issued by the competent authority of HMG in consultation with the Executive Engineer, Barrage. While issuing the special permits within two miles, HMG shall keep in view the safety of the headworks and the permit-holders.

12. USE OF NEPALI LABOUR:—The Union shall give preference to Nepali labour, personnel and contractors to the extent available and in its opinion suitable for the construction of the Project but shall be at liberty to import labour of all classes to the extent necessary.

13. CIVIC AMENITIES IN THE PROJECT AREA:—Subject to the prior approval of HMG, the Union may, in the Project area, establish schools, hospitals, water-supply systems, electric supply systems, drainage and other civic amenities for the duration of the construction of the Project. On completion

of construction of the project, any such civic amenities shall, upon request by HMG, be transferred to HMG, and that, in any case, all functions of public administration shall, pursuant to the provisions of clause 5(v) be exercised by HMG.

14. ARBITRATION:—(i) Any dispute or difference arising out of or in any way touching or concerning the construction, effect or meaning of this Agreement, or of any matter contained herein or the respective rights and liabilities of the parties hereunder, if not settled by discussion shall be determined in accordance with the provisions of this clause.

(ii) Any of the parties may by notice in writing inform the other party of its intention to refer to arbitration any such dispute or difference mentioned in sub-clause (i); and within 90 days of the delivery of such notice, each of the two parties shall nominate an arbitrator for jointly determining such dispute or difference and the award of the arbitrators shall be binding on the parties.

(iii) In case the arbitrators are unable to agree, the parties hereto may consult each other and appoint an Umpire whose award shall be final and binding on them.

15. ESTABLISHMENT OF INDO-NEPAL KOSI PROJECT COMMISSION:—(i) For the discussion of problems of common interest in connection with the Project and for purposes of co-ordination and co-operation between the two Governments with regard to any matter covered in this Agreement, the two Governments shall at an early date establish a joint “Indo-Nepal Kosi Project Commission”. The rules for the composition, jurisdiction, etc., of the said Commission shall be mutually agreed upon.

(ii) Until the said Joint Commission shall be constituted the “Co-ordination Committee for the Kosi Project” shall continue to function as follows:—

- (a) The committee shall consist of four representatives from each country to be nominated by the respective Governments.
- (b) The Chairman of the committee shall be a Minister of HMG, and the Secretary shall be the Administrator of the Kosi Project.
- (c) The committee shall consider among others such matters of common interest concerning the project as land acquisition by HMG for lease to the Union, rehabilitation of displaced population, maintenance of law and order.

(iii) As soon as the said Joint Commission shall be constituted, the Co-ordination Committee for the Kosi Project shall be dissolved.

16. (i) This present Agreement shall come into force from the date of signatures of the authorised representatives of HMG and the Union respectively and thereafter, it shall remain valid for a period of 199 years.

(ii) This present Agreement shall supersede the Agreement signed between the Government of Nepal and the Government of India on the 25th April, 1954 on the Kosi Project.

IN WITNESS WHEREOF the undersigned being duly authorised thereto by their respective Governments have signed the present Amended Agreement.

Done at Kathmandu, in quadruplicate, this day, the 19th of December, 1966.

For the Government of India—

SHRIMAN NARAYAN
Ambassador of India in Nepal

*For His Majesty's Government of
Nepal—*

Y. P. PANT
*Secretary, Ministry of Economic
Planning and Finance*

PLANNING,
MINISTRY OF ECONOMIC AFFAIRS,
SINGHA DURBAR.
KATHMANDU (NEPAL)
DECEMBER 19, 1966.

Your Excellency,

WITH reference to sub-clause (iv) of clause 5 of the Amended Kosi Project Agreement, our two Governments have reached an understanding that the Government of India will be reasonably compensated in case the Project properties are taken over by His Majesty's Government at the end of the lease period. The compensation will cover the cost borne to date and such other cost as may be incurred in future by the Government of India with the agreement of His Majesty's Government. In that case the depreciation in the value of the Project materials would, of course, be taken into account.

I shall be grateful if Your Excellency will kindly confirm that the above correctly sets out the understanding reached between our two Governments.

This letter and Your Excellency's reply confirming the understanding will constitute an agreement between our two Governments and shall form part of the Amended Kosi Project Agreement and shall come into force from the date of your letter in reply.

Please accept, Your Excellency, the assurances of my highest consideration.

Y. P. PANT
*Secretary to His Majesty's
Government of Nepal*

HIS EXCELLENCY SHRI SHRIMAN NARAYAN,
*Ambassador Extraordinary and Plenipotentiary of India to Nepal,
Embassy of India, Kathmandu, Nepal.*

EMBASSY OF INDIA, NEPAL
DATED THE 19TH DECEMBER 1966.

My Dear Dr. Pant,

I acknowledge the receipt of your letter of the 19th December 1966 regarding sub-clause (iv) of clause 5 of the Amended Kosi Project Agreement,

which is as follows:—

“With reference to sub-clause (iv) of clause 5 of the Amended Kosi Project Agreement our two Governments have reached an understanding that the Government of India will be reasonably compensated in case the Project properties are taken over by His Majesty’s Government at the end of the lease period. The compensation will cover the cost borne to date and such other cost as may be incurred in future by the Government of India with the agreement of His Majesty’s Government. In that case the depreciation in the value of the Project materials would, of course, be taken into account.

I shall be grateful if you will kindly confirm that the above correctly sets out the understanding reached between our two Governments.

This letter and your reply confirming the understanding will constitute an agreement between our two Governments and shall form part of the Amended Kosi Project Agreement and shall come into force from the date of your letter in reply.”

2. I confirm that the foregoing correctly sets out the understanding reached between us.

Yours sincerely,
SHRIMAN NARAYAN

DR. Y. P. PANT,
*Secretary,
Ministry of Economic Planning and Finance,
His Majesty’s Government of Nepal,
Kathmandu*

EMBASSY OF INDIA, NEPAL.
DATED THE 19TH DECEMBER 1966.

My Dear Dr. Pant,

With reference to sub-clause (ii)(a) of clause 8 of the Amended Kosi Project Agreement, it has been agreed between our two Governments that the Government of India will pay compensation annually at the rate of Rs. 5 NC per Nepali *Bigha* for all lands that have been acquired so far for the Kosi Project. For lands to be acquired in future, and especially for the Western Kosi Canal, the existing provision under which loss of land revenue is to be determined on the basis of the land revenue payable as at the time of acquisition of the land will be applicable.

With reference to sub-clause (ii) of clause I of the Amended Kosi Project Agreement, it has been agreed between our two Governments that the land on which the Nepal Link Bund is situated, as shown in Amended Annexure-A referred to in sub-clause (ii) of clause I, will be surrendered by the Government of India to His Majesty’s Government who, on their part, will agree to permit the Government of India to maintain and operate the existing waterways in this Bund.

I shall be grateful if you will kindly confirm that the above correctly sets out the understanding reached between our two Governments.

This letter and your reply confirming the understanding will constitute an agreement between our two Governments and shall form part of the Amended Kosi Project Agreement and shall come into force from the date of your letter in reply.

Yours sincerely,
SHRIMAN NARAYAN

DR. Y. P. PANT,
SECRETARY,
*Ministry of Economic Planning and Finance,
His Majesty's Government of Nepal, Kathmandu.*

PLANNING,
MINISTRY OF ECONOMIC AFFAIRS,
SINGHA DURBAR,
KATHMANDU (NEPAL)
DECEMBER 19, 1966.

Your Excellency,

I acknowledge the receipt of Your Excellency's letter of December 19, 1966 regarding certain clauses of the Amended Kosi Agreement, which is as follows:-

“With reference to sub-clause (ii)(a) of clause 8 of the Amended Kosi Project Agreement, it has been agreed between our two Governments that the Government of India will pay compensation annually at the rate of Rs. 5 NC per Nepali *Bigha* for all lands that have been acquired so far for the Kosi Project. For lands to be acquired in future, and especially for the Western Kosi Canal, the existing provision under which loss of land revenue is to be determined on the basis of the land revenue payable as at the time of acquisition of the land will be applicable.

With reference to sub-clause (ii) of clause I of the Amended Kosi Project Agreement, it has been agreed between our two Governments that the land on which the Nepal Link Bund is situated, as shown in Amended Annexure-A referred to in sub-clause (ii) of clause I, will be surrendered by the Government of India to His Majesty's Government who, on their part, will agree to permit the Government of India to maintain and operate the existing waterways in this Bund.

I shall be grateful if you will kindly confirm that the above correctly sets out the understanding reached between our two Governments.

This letter and your reply confirming the understanding will constitute an agreement between our two Governments and shall form part of the Amended Kosi Project Agreement and shall come into force from the date of your letter in reply.”

2. We confirm the understandings as indicated in Your Excellency's letter.

Please accept, Your Excellency, the assurance of my highest consideration.

Y. P. PANT,
*Secretary to his Majesty's
 Government of Nepal.*

HIS EXCELLENCY SHRI SHRIMAN NARAYAN,
*Ambassador Extraordinary and Plenipotentiary of India to Nepal,
 Embassy of India, Kathmandu, Nepal.*

(*Government of Bihar : Secretariat Press ; Patna : 1967 : 14 pages*)

94. Agreement on the Gandak Irrigation and Power Project, Kathmandu, December 4, 1959

PREAMBLE :—WHEREAS His Majesty's Government of Nepal and the Government of India consider that it is in the common interests of both Nepal and India to construct a barrage, canal head regulators and other appurtenant works about 1,000 feet below the existing Tribeni canal head regulator and of taking out canal systems for purposes of irrigation and development of power for Nepal and India (hereinafter referred to as "the Project").

AND WHEREAS in view of the common benefits, His Majesty's Government have agreed to the construction of the said barrage, canal head regulators and other connected works as shown in the Plan annexed¹ to this Agreement to the extent that they lie within the territory of Nepal, by and at the cost of the Government of India.

NOW THE PARTIES AGREE AS FOLLOWS:—

1. INVESTIGATION AND SURVEYS :—His Majesty's Government authorise the Project Officers and other persons acting under the general or special orders of such officers to move in the area indicated in the said Plan with men, material and equipment as may be required for the surveys and investigations in connection with the Project, before, during and after construction, as may be found necessary from time to time. These surveys include ground, aerial, hydraulic, hydrometric, hydrological and geological surveys; investigations for communication and for the alignment of canals and for materials required for the construction and maintenance of the Project.

2. AUTHORITY FOR THE EXECUTION OF WORKS AND THEIR MAINTENANCE :—
 (i) His Majesty's Government authorise the Government of India to proceed with the execution of the Project and for this purpose His Majesty's Government shall acquire all such lands as the Government of India may require and will permit the access to, the movement within and the residence in the area indicated in the Plan of officers and field staff with labour force, draught animals, vehicles, plants, machinery, equipment and instruments as may be necessary for the execution of the Project and for its operation and maintenance after its completion.

¹ Not reproduced here.

(ii) In case of any apprehended danger or accident to any of the structures, the officers of the Government of India will execute all works which may be necessary for repairing the existing works or preventing such accidents and/or danger in the areas indicated in the Plan. If any of such works have to be constructed on lands which do not belong to the Government of India, His Majesty's Government will authorise these works to be executed and acquire such additional lands as may be necessary for the purpose. In all such cases the Government of India shall pay reasonable compensation for the lands so acquired as well as for damage, if any, arising out of the execution of these works.

3. LAND ACQUISITION :—(i) His Majesty's Government will acquire or requisition, as the case may be, all such lands as are required by the Government of India for the Project, i.e., for the purpose of investigation, construction and maintenance of the Project and the Government of India shall pay reasonable compensation for such lands acquired or requisitioned.

(ii) His Majesty's Government shall transfer to the Government of India such lands belonging to His Majesty's Government as are required for the purpose of the Project on payment of reasonable compensation by the Government of India.

(iii) Lands requisitioned under paragraph (i) shall be held by the Government of India for the duration of the requisition and lands acquired under sub-clause (i) or transferred under sub-clause (ii) shall vest in the Government of India as proprietor and subject to payment of land revenue (Malpot) at the rates at which it is leviable on agricultural lands in the neighbourhood.

(iv) When such land vesting in the Government of India or any part thereof ceases to be required by the Government of India for the purposes of the Project, the Government of India will reconvey the same to His Majesty's Government free of charge.

4. QUARRYING :—His Majesty's Government shall permit the Government of India on payment of reasonable royalty to quarry materials such as block stones, boulders, shingle and sand required for the construction and maintenance of the Project from the areas indicated in the said Plan.

5. COMMUNICATIONS :—(i) His Majesty's Government shall allow the Government of India to construct and maintain such portion of the main Western Canal which falls in the Nepal territory and to construct and maintain communications for the construction and maintenance of the Project. The roads will be essentially departmental roads of the Project and their use by commercial and non-commercial vehicles of Nepal will be regulated as mutually agreed upon between His Majesty's Government and the Government of India.

(ii) The bridge over the Gandak Barrage will be open to public traffic, but the Government of India shall have the right to close the traffic over the bridge for repair, etc.

(iii) The Government of India agree to provide locking arrangements for facility of riverine traffic across the Barrage free from payment of any tolls whatever, provided that this traffic will be regulated by the Project staff in accordance with the rules mutually agreed upon between His Majesty's Government and the Government of India.

(iv) His Majesty's Government agree to permit installations of telegraph, telephone and radio communications as approximately indicated in the Plan for the *bona fide* purpose of the construction, maintenance and operation of the Project.

(v) The Government of India shall permit the use of internal telegraph, telephone and radio communications as indicated in the Plan to the authorised servants of His Majesty's Government in emergencies, provided such use does not interfere with the construction, maintenance and operation of the Project.

6. OWNERSHIP, OPERATION AND MAINTENANCE OF WORKS:—Subject to the provisions of sub-clause (v) of clause 7, all works connected with the Project in the territory of Nepal will remain the property of and be operated and maintained by the Government of India.

7. IRRIGATION FOR NEPAL:—(i) The Government of India shall construct at their own cost the Western Nepal Canal including the distributary system thereof down to a minimum discharge of 20 cusecs for providing flow irrigation in the gross commanded area estimated to be about 40,000 acres.

(ii) The Government of India shall construct the Eastern Nepal Canal from the tail end of the Don Branch Canal up to river Bagmati including the distributary system down to a minimum discharge of 20 cusecs at their own cost for providing flow irrigation in Nepal for the gross commanded area estimated to be 1,03,500 acres.

(iii) His Majesty's Government shall be responsible for the construction of channels below 20 cusecs capacity for irrigation in Nepal but the Government of India shall contribute such sum of money as they may consider reasonable to meet the cost of construction.

(iv) The Nepal Eastern Canal and the Nepal Western Canal shall be completed, as far as possible, within one year of the completion of the barrage.

(v) The canal systems including the service roads situated in Nepal territory except the main Western Canal, shall be handed over to His Majesty's Government for operation and maintenance at their cost.

8. POWER DEVELOPMENT AND RESERVATION FOR NEPAL:—(i) The Government of India agree to construct one Power House with an installed capacity of 15,000 KW in the Nepal territory on the Main Western Canal.

(ii) The Government of India also agree to construct a transmission line from the Power House in Nepal to the Bihar border near Bhaissalotan and from Sagauli to Raxaul in Bihar in order to facilitate supply of power on any point in the Bihar Grid up to and including Raxaul.

(iii) The Government of India shall supply power to His Majesty's Government at the Power House and/or at any point in the Grid up to and including Raxaul to an aggregate maximum of 10,000 KW up to 60 per cent load factor at power factor not below 0.85. The charges for supply at the Power House shall be the actual cost of production, and on any point on the Grid up to Raxaul it shall be the cost of production *plus* the cost of transmission on such terms and conditions as may be mutually agreed upon.

(iv) His Majesty's Government will be responsible for the construction at their own cost of the transmission and distribution system for supply of

power within Nepal from the Power House or from any point on the Grid up to and including Raxaul.

(v) The ownership and management of the Power House shall be transferred to His Majesty's Government on one year's notice in writing given by them to the Government of India after the full load of 10,000 KW at 60 per cent load factor has been developed in Nepal from this Power House.

(vi) The ownership of the transmission system constructed by the Government of India at its cost shall remain vested in the Government of India, but, on transfer of the Power House, the Government of India shall continue the arrangements for transmission of power, if so desired by His Majesty's Government, on payment of the cost of transmission. Provided that His Majesty's Government shall have the right to purchase the transmission system from the Power House to Bhaisalotan situated in the Nepal territory on payment of the original cost *minus* depreciation.

(vii) The Government of India shall be free to regulate the flow into or close the Main Western Canal Head Regulator temporarily, if such works are found to be necessary in the interest of the efficient maintenance and operation of the Canal or the Power House, provided that in such situations the Government of India agree to supply the minimum essential power from the Bihar Grid to the extent possible on such terms and conditions as may be mutually agreed upon.

9. PROTECTION OF NEPAL'S RIPARIAN RIGHTS:—His Majesty's Government will continue to have the right to withdraw for irrigation or any other purpose from the river or its tributaries in Nepal such supplies of water as may be required by them from time to time and His Majesty's Government agree that they shall not exercise this right in such manner as is likely, in the opinion of the parties hereto prejudicially to affect the water requirements of the Project as set out in the schedule annexed hereto.

10. PRO RATA REDUCTION OF SUPPLIES DURING PERIOD OF SHORTAGE:—Whenever the supply of water available for irrigation falls short of the requirements of the total area under the Project for which irrigation has to be provided the shortage shall be shared on *pro rata* basis between the Government of India and His Majesty's Government.

11. SOVEREIGNTY AND JURISDICTION—Nothing in this Agreement shall be deemed to derogate from the sovereignty and territorial jurisdiction of His Majesty's Government in respect of lands acquired by His Majesty's Government and made available to the Government of India for investigation, execution and maintenance of the Project.

12. ARBITRATION:—(1) Any dispute or difference arising out of or in any way touching or concerning the construction, effect or meaning of this Agreement, or of any matter contained herein or the respective rights and liabilities of the parties hereunder, if not settled by discussion, shall be determined in accordance with the provisions of this clause.

(2) Any of the parties may by notice in writing inform the other party of its intention to refer to arbitration any such dispute or difference mentioned in sub-clause (1) and within 90 days of the delivery of such notice, each of the two parties shall nominate an arbitrator for jointly determining such dispute or difference and the award of the arbitrators shall be binding on the parties.

(3) In case the arbitrators are unable to agree, the parties hereto may consult each other and appoint an Umpire whose award shall be final and binding on them.

13. This Agreement will come into force with effect from the date of signatures of the authorised representatives of His Majesty's Government and the Government of India respectively.

IN WITNESS WHEREOF the undersigned being duly authorised thereof by their respective Governments have signed the present AGREEMENT in Nepali, Hindi and English in duplicate, all three texts being equally authentic, at Kathmandu this 19th day of Magh Sambat 2016 corresponding to December 4, 1959. For purposes of interpretation the English text shall be used.

For the Government of India

*For and on behalf of the
PRESIDENT OF INDIA*

BHAGWAN SAHAY,
Ambassador of India.

On behalf of

HIS MAJESTY'S GOVERNMENT
OF NEPAL

SUBARNA SHAMSHERE,
Deputy Prime Minister.

SCHEDULE OF WATER REQUIREMENTS OF THE
GANDAK PROJECT IN CUSECS

(*Vide* clause 9 of the Agreement)

MONTHS	WESTERN CANAL SYSTEM AND POWER HOUSE IN NEPAL	EASTERN CANAL SYSTEM AND POWER HOUSE IN INDIA	TOTAL
January ...	6,960	4,540	11,500
February ...	6,100	3,900	10,000
March ...	5,960	3,690	9,650
April ...	5,760	4,340	10,100
May ...	8,270	7,980	16,250
June ...	11,190	14,000	25,190
July ...	15,240	13,980	29,220
August ...	14,980	14,000	28,980
September ...	14,980	14,000	28,980
October ...	16,060	14,110	30,170
November ...	11,070	13,240	24,310
December ...	10,410	9,290	19,700

*Correspondence connected with the Agreement*EMBASSY OF INDIA, NEPAL.
KATHMANDU

DATED THE 4TH DECEMBER 1959.

My Dear,

There are a few matters pertaining to the Gandak Irrigation and Power Project Agreement in respect of which certain understandings are necessary. They are detailed below:—

- (a) Sub-clauses (i) and (ii) of clause 3 lay down that the Government of India shall pay reasonable compensation for acquisition or requisition of any lands which may be required for the Project. It is agreed that for purposes of fixation of rates of compensation His Majesty's Government would appoint an Expert Committee with which Revenue Officers of the Gandak Project would also be associated. The Committee will visit the area of the Project and fix the principles for assessment of compensation payable for such lands. The total compensation payable for the lands acquired or requisitioned will be calculated on the basis of the agreed rates fixed by the Committee. The Government of India shall deposit the agreed amount of compensation to the credit of His Majesty's Government in the Rashtra Bank. Thereupon His Majesty's Government will make the required arrangements for payment of compensation to those persons to whom it may be due.
- (b) Clause 4 provides that His Majesty's Government will grant permission to the Government of India for the quarrying of materials required for the construction and the maintenance of the Project in the area shown in the Plan annexed to the Agreement. It is our understanding that if suitable materials are not available from these areas in sufficient quantities His Majesty's Government will permit on the request of the Government of India quarrying in such other areas as may be mutually agreed upon.
- (c) Sub-clause (ii) of clause 7 of the Agreement states that under the Eastern Nepal Canal the gross commanded area will be 1,03,500 acres. It may be explained that this gross commanded area will be possible only on the execution of the training works on the river Bagmati for which certain proposals have already been under discussion with His Majesty's Government. The river has been taking a westward course and certain training works are required to be set up in order to divert it back into its old eastern channel to flow under the Bagmati Railway Bridge. Without the river training scheme the gross commanded area will not exceed 93,000 acres.
- (d) Sub-clause (iii) of clause 7 of the Agreement refers to a contribution by the Government of India of a sum which they consider reasonable towards the cost of construction of channels below 20 cusecs capacity

for irrigation in Nepal. It is our understanding that such contribution would not cover any cost of land acquisition for the channels but would be related only to the actual expenditure on works. As regards the latter it is estimated that a sum of rupees fifteen lakhs will be sufficient and accordingly the Government of India will make this sum available to His Majesty's Government in suitable instalments according to the progress of construction.

- (e) Sub-clause (v) of clause 8 provides that the ownership and management of the power house shall be transferred to His Majesty's Government on one year's notice by them after the full load of 10,000 KW at 60 per cent load factor has been developed in Nepal from this power house. It is our understanding that for a period of fifteen years after obtaining the ownership and management of the power house His Majesty's Government would be generating secondary power to the full extent possible and supplying it to the Government of India on payment of its actual cost of production.
- (f) The schedule annexed to clause 9 gives the minimum quantities of water required for the Project after making the allowance for the withdrawal of water from the upper reaches of the Gandak river and its tributaries sufficient for the irrigation of two lakh acres which is the maximum area estimated to be available for the purpose. It is our understanding that if at any time, due to natural causes, the supplies in the river are insufficient for all the purposes His Majesty's Government will be entitled to continue to withdraw water sufficient for the irrigation of such area.
- (g) His Majesty's Government and the Government of India also agree to set up as early as possible a Co-ordination Committee consisting of three representatives of each Government with a Minister of His Majesty's Government as its Chairman and the Chief Administrator of the Project as its Secretary. The Committee will meet from time to time to consider such matters of common interest concerning the Project as may be referred to it by either Government with a view to expedite decisions for the early completion of the Project. The Government of India will bear all expenditure in connection with the working of the Committee, such as salaries of special staff, if any, travelling allowance of members, etc.

2. I shall be grateful if you will kindly confirm the understandings explained above.

Yours sincerely,

BHAGWAN SAHAY,
Ambassador of India

HIS EXCELLENCY SRI SUBARNA SHAMSHERE,
Deputy Prime Minister,
His Majesty's Government of Nepal.

SINGHA DURBAR, NEPAL.
KATHMANDU

DATED THE 4TH DECEMBER 1959.

My Dear,

I acknowledge the receipt of your letter of the 4th December 1959, regarding the Gandak Irrigation and Power Project which is as follows:—

(Here is reproduced in full the text of the letter of Mr. Bhagwan Sahay)

2. We confirm the understanding as indicated in your letter.

Yours sincerely,

SUBARNA SHAMSHERE

HIS EXCELLENCY SHRI BHAGWAN SAHAY,
Ambassador of India,
Kathmandu.

(*Government of Bihar : Secretariat Press; Patna : 1960 : 15 pages*)

95. Regional Agreement between the Governments of Nepal, India and the United States of America concerning the development of transportation facilities, signed at Kathmandu, January 2, and at New Delhi, January 6, 1958

THE Governments of Nepal, India and the United States of America, now engaged in the interchange of technical knowledge and skills and programs of self-help and mutual co-operation designed to develop the economic and social well-beings, to safeguard basic rights and liberties and to protect the security and independence of free and independent peoples under circumstances which will enable them to maintain an equal station among the nations of the world and to fulfil their responsibilities,

Desiring to continue such co-operation and recognizing the desirability of programs which will contribute to promoting greater economic strength in the area of Asia as a whole or among a group or groups of countries of the area to the extent that such countries make effective use of all resources available to them,

Considering the development of adequate transportation facilities to and in Nepal to be of major importance in furthering these objectives,

Have consulted and agreed:

Article I

The development of transportation facilities pursuant to this Agreement will be carried out in the area of Nepal in such manner and order of priority as may be agreed in order to stimulate the flow of trade to and from and within Nepal and afford means of communication essential to its greater political and administrative integration.

A. The Government of Nepal will:

1. Take such measures as may be necessary to assure the efficient use of

all the resources available to it to promote the economic development of Nepal on a sound basis and as may be necessary to assure that Nepal will make the full contribution, permitted by its man-power, resources, facilities and general economic condition, to the work undertaken pursuant to this Agreement.

2. Take appropriate steps, including to the maximum extent possible full co-ordination and integration of all programs of economic development related to any work carried out under this Agreement, in order to assure the effective utilization of the assistance furnished.

3. Assure that the commodities and services obtained pursuant to this Agreement are used exclusively for the purposes agreed.

4. Establish a Regional Transportation Board (hereinafter called the "Board"), responsible to the Government of Nepal, to which the Government of Nepal will delegate all necessary authority to carry out the obligations of that Government in connection with any work undertaken pursuant to this Agreement.

5. Establish such fiscal and administrative procedures and regulations as will enable the Board to carry out its responsibilities.

B. The responsibilities of the United States and India, in connection with implementing any program or work undertaken pursuant to this Agreement, will be carried out by the Agency designated by the Government of the United States and by the Indian Aid Mission of the Government of India for Nepal under the supervision and direction of their respective heads, to be known for the purposes of this Agreement as the "United States Representative" and the "Director/IAM".

C. The Board, the United States Representative and the Director/IAM will agree from time to time upon such arrangements, procedures and conditions of operation, consistent with and subject to the general conditions and understandings set forth herein, as may be needful to carry out the purposes of this Agreement and formally to commit the funds and resources of each Government to be made available for such purposes; it being understood that the exercise of such authority shall be in conformity with the instructions and directives of the respective Governments. It is further understood that administrative and operational responsibility will be discharged by a technical committee, to be known as the "Office of Chief Engineers", composed of one Chief Engineer from each of the participating Governments.

Article II

In order to further the objectives of this Agreement, the Governments of the United States and India will—subject to the requirements and conditions of any applicable legislation and to the availability of funds—furnish, upon request by the Government of Nepal, financial and other assistance of such nature and in such amounts as the United States and India may respectively deem advisable and as may be needed and effectively used to carry out these purposes.

A. Any such assistance will be furnished only to carry out specific purposes at a cost not to exceed the amounts agreed between the Board, the United States Representative and the Director/IAM;

B. Expenditure to carry out such purposes will be made in accordance with such plans and fiscal and administrative procedures as may be agreed by the Board, the United States Representative and the Director/IAM, it being further understood:

1. That the assistance of the United States and India will be furnished on a grant basis.
2. Procedures will be established to assure:
 - (a) convertibility in the first instance into Nepalese currency of any funds introduced for the purpose of carrying out the obligations of the United States and India, pursuant to this Agreement, including deposits as may be agreed by the Board, the United States Representative, and the Director/IAM, to the account of the Office of Chief Engineers, at the rate of exchange prevailing at the Nepal State Bank at the time of contribution; that the foreign exchange thus made available will be utilized by the Government of Nepal only for developmental imports pursuant to the Five-Year-Plan, and in respect of any schedule of commodities for import or class of importer, at the highest rate of exchange not unlawful, at the time of utilization, for the sale by any agency authorised by the Government of Nepal of the foreign currency in which the contributions were made; and that any accruals to the Government of Nepal, resulting from the utilization of the foreign exchange thus made available at a rate higher than that at which such contributions were converted in the first instance, will be deposited by the Government of Nepal, within ninety days of the time of any such accruals, to the account of the Office of Chief Engineers;
 - (b) utilization of all assistance for the direct benefit of the people and development of Nepal, it being understood that the Government of Nepal will not require payment or reimbursement by any District or local governmental unit of the cost of any assistance furnished by the United States and India (except as may be agreed by the Board, the United States Representative and the Director/IAM in the event that any such payments will be utilized to carry out the purposes of this Agreement), and that all commodities financed by the United States or India for use on these projects shall be afforded expeditious transit through India and shall enter into Nepal free of import licensing requirements and of payment of any customs duties or any other direct or indirect levy (excepting any charge for or in lieu of a public service) aimed at the fact of importation or movement, sale or use of goods in Nepal;
 - (c) procurement and utilization of any property or commodities financed by the United States or India in such manner that procurement will be carried out, as may be agreed by the Board, the United States Representative, and the Director/IAM, in consideration of competitive quality, conditions, prices and terms, and in such manner that the transaction will not result in use for purposes other than agreed or in the re-sale or transshipment of such property or commodities or in the increased availability for export from Nepal of like or similar items, except as may be agreed by the Board, the United States Representative and the Director/IAM;

- (d) return to the contributing Government or refund of the cost of, any contribution, of whatever nature, in the event that agreement may not be reached as to its utilization, or which, because of failure of the Government to which it was contributed to use its best efforts to carry out the understandings of this Agreement, may not be effectively utilized to further the purposes for which it was made available;

3. that, in the event of legal action arising from activities undertaken pursuant to this Agreement, the Government of Nepal will assume full responsibility for the defence of such action in Nepal, and will take responsibility for assuring execution of projects undertaken pursuant to this Agreement, and will assure immunity, from garnishment or any other legal process, of title to all such contributions or property derived therefrom.

4. Unless otherwise specified in any Agreement by which funds are obligated for contribution to a project pursuant to this Agreement, title to all property, procured through financing by the Government of the United States or the Government of India out of such funds, shall be in the Government of Nepal or such public or private agency as it may authorize. This provision is inapplicable to any property which may be used in connection with a project but is not procured through financing from funds obligated for contribution to such project.

Article III

The Government of Nepal will, upon appropriate notification, receive persons acceptable to it who may be designated by the Governments of the United States and India for service in connection with the programs and work undertaken pursuant to this Agreement, and will permit the observation and review by such persons of all such programs, including utilization of any assistance, and co-operate in facilitating the discharge of these responsibilities. The Government of Nepal will further provide the United States and India with full and complete information relative to such programs, including the information necessary to evaluate the need for assistance, and statements as requested on the use of assistance received. It is understood that such persons to be assigned for work on any projects except those specifically provided for in any supplementary agreement, shall be furnished only on the request of the Office of Chief Engineers.

All such persons (who are nationals foreign to Nepal and not permanent residents of Nepal, either direct employees or contract employees of any agency or department of the Government of the United States or India, including persons temporarily assigned), who may be received in Nepal for service in connection with such programs, shall be accorded such facilities, privileges, immunities, and exemptions as may have been heretofore or shall hereinafter be agreed by the Government of Nepal and the Governments of the United States and India respectively, in separate agreements. In the case of the Government of the United States, the presently operative agreement is the Point IV General Agreement for Technical Co-operation between the Government of the United States and the Government of Nepal dated January 23, 1951.

Article IV

It being understood that, in order to realize from this Agreement the

greatest benefit and good to Nepal, India and the United States, full publicity should be given to the aims and objectives of this Agreement and to all measures undertaken by Nepal separately or in co-operation with India and the United States to further such purposes, the Government[s], parties to this Agreement, will:

- (a) not less frequently than once each year, make a full report to their peoples, respectively, concerning these common aims and objectives and the measures undertaken and progress made to realize them;
- (b) endeavour at all times to provide full information in order that the people may be assured that any assistance provided is utilised for their greatest benefit and in furtherance of the friendship, common interest and goodwill of the three peoples.

Article V

A. This Agreement shall enter into force upon signature and shall remain in force until ninety days after notification in writing by any one of the Government parties, hereto, to the other two of its intention to terminate it; provided, however, that all arrangements and agreements pursuant hereto, by which facilities, manpower, resources, or funds shall have been obligated or agreed to be made available by the Governments, shall remain in force pursuant to their own terms and that any provision herein for the refund of contributions by any Government, or for the utilization of proceeds or accruals from contributions, shall remain in force until these purposes shall have been accomplished.¹

B. The three Governments will consult at any time, at the request of any of them, on any matter related to the application or amendment of this Agreement.

C. This Agreement is complementary to and does not supersede existing Agreements between the Governments, except insofar as they may be inconsistent herewith.

Done at Kathmandu, Nepal, in triplicate in the English language, this second day of January, 1958.

For the Government of Nepal:

CHANDRA BHADUR THAPA

For the Government of India:

BHAGWAN SAHAY

For the Government of the United States:

ELLSWORTH BUNKER

Done at New Delhi, India, this 6th day of January, 1958

(United States Treaties and other International Agreements: Vol. 9: 1958: 217-22)

¹ The Agreement was amended thrice on August 11, 1960, January 6, 1961, and December 12, 1961 and finally terminated on February 22, 1963 by virtue of an Agreement signed at Kathmandu, January 10, 1963. Under this Agreement India contributed Rs. 137.6 lakhs (NC) for the development of roads in Nepal.

96. List of projects completed/under completion in Nepal with Indian assistance

(A) LIST OF PROJECTS IN NEPAL COMPLETED TILL 15TH JUNE, 1967
(UNDER PROGRAMMES OF THE INDIAN CO-OPERATION MISSION,
KATHMANDU)

ROADS

1. Tribhuvan Rajpath
2. Tripureshwar Thankot Road
3. Kakrawah-Lumbini Road
4. Kathmandu-Trisuli Road
5. Kathmandu-Balaju Road
6. Bhainse-Raxaul Road
7. Kathmandu-Janakpur Road
8. Kathmandu-Trisuli Road
9. Bhangadhi-Dandeldhura Baitadi Road
10. Krishnanagar-Pyuthan Road
11. Nepalgunj-Surkhet Road
12. Dharan-Dhankuta-Bhojpur Road
13. Approach Road to Janakpur Airport.

AIRPORTS

1. Kathmandu (Gaucher)
2. Bhairawa
3. Janakpur
4. Pokhara
5. Simra
6. Biratnagar.

IRRIGATION

1. Tika Bhaireb
2. Mahadeo Khola
3. Budha Nilkanth
4. Kotku Khola
5. Godavari Khola
6. Lower Jijayapur
7. Phewatal
8. Baglung
9. Dunduwa
10. Tinao
11. Jhaj
12. Hardinath
13. Manusmara
14. Ashe Khola
15. Bosen Khola.

ECONOMIC RELATIONS

WATER SUPPLY

1. Panchmane
2. Vishnumati
3. Chahare Khola
4. Bhaktapur
5. Karki Manthali
6. Sankhu
7. Balambu
8. Gaucher Airport
9. Pokhara
10. Bhimad Bazar
11. Jan Premi
12. Satang Darang
13. Deorali
14. Amlekhganj
15. Birganj
16. Dhulikhel
17. Sanga
18. Panauti
19. Biratnagar
20. Bhairawa
21. Sallayan
22. Hand pumps — 405 All over the country
23. Sundarijal Water Supply Project
24. Janakpur Water Supply Scheme.

INTENSIVE VALLEY DEVELOPMENT PROGRAMME

1. Pokhara
2. Lalitpur
3. Palung.

(The programme now stands terminated)

VILLAGE DEVELOPMENT BLOCKS

1. Therathum
2. Illam
3. Janakpur
4. Bhalabhelani
5. Kalaiya
6. Trisuli
7. Nepalganj

8. Biratnagar
9. Udaipur
10. Baglong
11. Shyangja
12. Bardia.

(The programme now stands terminated)

LOCAL DEVELOPMENT WORKS

A large number of small schemes were undertaken and completed under this programme which now stands terminated.

HORTICULTURE DEVELOPMENT

1. Central Horticulture Research Station, Kirtipur
2. Horticulture Research Station, Dhandutta
3. Horticulture Research Sub-Station, Pokhara
4. Horticulture Centre, Dhunibesi
5. Horticulture Centre, Daman
6. Horticulture Centre, Trisuli
7. Horticulture Centre, Janakpur.

DEVELOPMENT OF VETERINARY SERVICES

1. Biological Products Laboratory, Kathmandu
2. Training of Stock Supervisors and Stockman
3. Veterinary hospitals/dispensaries at

(i) Kathmandu	(xii) Illam
(ii) Bhaktapur	(xiii) Rajbiraj
(iii) Lilitpur	(xiv) Jhapa
(iv) Pokhara	(xv) Baitadi
(v) Bhairawa	(xvi) Kailali
(vi) Kalaiya	(xvii) Dhankuta
(vii) Biratnagar	(xviii) Kanachanpur
(viii) Trisuli	(xix) Piuthan
(ix) Janakpur	(xx) Sindhuli Garhi
(x) Bhojpur	(xxi) Bharatpur
(xi) Okhaldunga	(xxii) Dhulikhel.

EDUCATION AND ALLIED SCHEMES

1. Chemistry Block, Tribhuvan University
2. Teachers' quarters, Tribhuvan University
3. Students' Hostel, Tribhuvan University
4. Trichandra College Science Extension Building
5. Development of Tribhuvan Adarsha Vidhalaya
6. Rural Institute, Patan (closed down with the termination of the Village Development Programme)

7. Engineering School, Jawalakhel
8. Nepal Forestry Institute
9. National Archives Building.

GEOLOGICAL SURVEYS

1. Detailed investigation of the Kulikhani-Arkhaule deposits
2. Investigation of cobalt-nickel deposits in Western Nepal
3. Investigation of gas and lignite in Kathmandu Valley
4. Detailed investigation of statuary marble at Godavari
5. Mapping in the Mangre-Bhorle Area
6. Further investigation of the Trisuli Hydro Electric Project
7. Geological mapping of the upper reaches of Kali Gandaki
8. Ground water resources investigation of the Kathmandu Valley.

MISCELLANEOUS SCHEMES

1. Railway survey for upgrading the Raxaul-Amlekhganj link from narrow gauge to meter gauge
2. Development of Archaeology¹
 - (i) Excavations at Lumbini—completed
 - (ii) Excavations in Kathmandu Valley—completed
3. Industrial Estate Patan (Third Phase)
4. General Post Office Building
5. O.P.D. Paropkar Maternity Home.

POWER

1. Trisuli Hydel Project—First Phase
2. Transmission lines from Kosi to Rajbiraj.

FORESTRY

1. Forest Working Plans for Birganj
2. Biratnagar and Kanchanpur.

(B) LIST OF INDIAN CO-OPERATION MISSION, KATHMANDU, PROJECTS UNDERWAY AS ON 15.6.1967

SECTOR

SCHEMES

I. ROADS

1. Sonauli-Pokhara Road
2. Dakshin-Kali Road
3. Fatehpur-Kanauli Bazar Road
4. Hanuman Nagar-Rajbiraj Road
5. Bagmati Bridge
6. Eastern Sector of the East West Highway

¹ This is a continuing programme.

SECTOR	SCHEMES
II. AIRPORTS	7. Hangers at Kathmandu Airport
III. IRRIGATION	8. Chatra Canals Project
IV. WATER SUPPLY	9. Rajbiraj Water Supply Scheme
V. POWER	10. Trisuli Hydel Project (2nd Phase)
	11. Pokhara Hydel Scheme
	12. Transmission lines from Kosi to Biratnagar
VI. HORTICULTURE CENTRES	13. Sarmathang
	14. Baitadi
	15. Thak
	16. Jumla
	17. Illam
VII. DEVELOPMENT OF VETERINARY SERVICE	18. Construction of Veterinary dispensaries
	19. Rinderpest Eradication Programme
VIII. EDUCATIONAL ALLIED SCHEME	20. Library Building, Tribhuvan University
IX. SURVEYS	21. Aerial Photography & Mapping
	22. Geological Investigations
X. MISCELLANEOUS SCHEMES	23. Construction of additional wards at Paropkar Maternity Home
	24. Foreign Post Office Building
	25. Development of Archaeology (Continuing Scheme)
	26. Master Plan for Pokhara Town.

Total Projects underway: 26

[This information was supplied to the Committee of Assurances of the Lok Sabha vide Unstarred Question No. 3625 asked on June 26, 1967 by Mr. D. C. Sharma (Congress)]

SECTION III

Nepal-China Relations

A. POLITICAL RELATIONS

97. Joint communique on the establishment of diplomatic relations, Kathmandu, August 1, 1955

THE negotiations conducted in Kathmandu on and from July 27th, 1955, between the Delegation of the Government of the People's Republic of China and the Delegation of the Government of the Kingdom of Nepal for the establishment of diplomatic relations between the two countries, have now concluded successfully. The negotiations were carried on in a very cordial and friendly atmosphere and it has been agreed as follows:

The two Governments desirous of establishing friendly relations between the two countries have agreed to establish normal diplomatic relations and to exchange ambassadors between the People's Republic of China and the Kingdom of Nepal. The two governments have further agreed that the following five principles, namely:

- One Mutual respect for each other's territorial integrity and sovereignty;
- Two Non-aggression;
- Three Non-interference in each other's internal affairs for any reasons—of an economic, political or ideological character;
- Four Equality and mutual benefit;
- Five Peaceful co-existence.

Should form the basic principles to guide the relations between the two countries.

The two governments believe that the establishment of diplomatic relations will also promote further development in the cultural and economic co-operation between the two countries.

(Survey of China Mainland Press : 1100 : July 30-August 2, 1955 : 29-30)

98. Joint communique on talks for the maintenance of friendly relations etc., Kathmandu, September 24, 1956

THE Delegation of the Government of the People's Republic of China and the Delegation of the Government of the Kingdom of Nepal held negotiations from August 19, 1956 to September 20, 1956 at Kathmandu on matters concerning the relations between China and Nepal.

Taking part in the negotiations for the Government of the People's

Republic of China were:

Head of the Chinese Government Delegation, Pan Tzu-li, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Kingdom of Nepal; members Yang Kung-su, Pintso Raoje, Tu Yu-yun, Advisor Tanpa.

Taking part in the negotiations for the Government of the Kingdom of Nepal were:

Head of the Nepalese Government Delegation, Chuda Prasad Sharma, Minister for Foreign Affairs of the Kingdom of Nepal; members Narapratap Thapa, Kaiser Bahadur Khattry Chhetry, Bhim Bahadur Pande, Nayan Bahadur Khattry Chhetry, Najar Man Singh; Advisor Medini Prasad.

The two parties carried out friendly and sincere discussions on the basis of the five principles (Pancha Shila) of mutual respect for each other's territorial integrity and sovereignty, non-aggression, non-interference in each other's internal affairs for any reasons of an economic, political or ideological character, equality and mutual benefit, and peaceful co-existence, on matters concerning the relations between China and Nepal and concerning trade, intercourse, pilgrimage etc. between the Tibet Region of China and Nepal and signed the agreement to maintain the friendly relations between the People's Republic of China and the Kingdom of Nepal and on trade and intercourse between the Tibet Region of China and Nepal.¹

The plenipotentiaries of the two governments signed the above mentioned agreement at Kathmandu on September 20, 1956.

Plenipotentiary of the Government of the People's Republic of China, Pan Tzu-li, signed for the Government of the People's Republic of China.

Plenipotentiary of the Government of the Kingdom of Nepal, Chuda Prasad Sharma, signed for the Government of the Kingdom of Nepal.

Simultaneously with the conclusion of the above mentioned agreement, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Kingdom of Nepal, Pan Tzu-li, and the Minister for Foreign Affairs of the Kingdom of Nepal, Chuda Prasad Sharma, exchanged notes on certain matters concerning the relations between China and Nepal.

The talks were conducted throughout in a friendly and cordial atmosphere of complete mutual understanding.

(*Survey of China Mainland Press* : 1378 : September 27, 1956 : 16)

¹ Relations between Nepal and Tibet had so far been guided by the Treaty of Peace signed in 1856. According to this Treaty, Tibet had to pay Rs. 10,000 annually as tribute to Nepal. This tribute was paid till 1953. In 1954 when the tribute did not reach Kathmandu, the Nepalese Government represented to Lhasa that the Treaty had been violated. Lhasa replied that all matters relating to Tibet should be referred to Peking. Then on February 14, 1956 the Nepalese Premier Mr. Tanka Prasad Acharya announced in Kathmandu that he would soon take up the question of the revision of Nepal's 100-year-old Treaty with Tibet to regularise Sino-Nepalese relations in the light of Tibet's position in the Chinese Republic. Later on, on October 23, 1956, Mr. Acharya told press correspondents in Calcutta that Nepal's agreement with China on Tibet was not a departure from her foreign policy. "Everybody recognizes Tibet as part of the People's Republic of China. We know that India and the United Kingdom were the first to recognize the suzerainty of China over Tibet. Under the existing situation we do not like to create any confusion by saying things otherwise", he said.

**99. Agreement to maintain friendly relations and on trade and intercourse,
Kathmandu, September 20, 1956**

(RATIFIED ON JANUARY 17, 1958)

THE Government of the People's Republic of China and the Government of the Kingdom of Nepal,

Being desirous of further developing the friendly relations between the two countries as good neighbours on the basis of the long-standing friendship between the two peoples,

Reaffirm that the five principles (Panch Shila) of

One Mutual respect for each other's territorial integrity and sovereignty;

Two Non-aggression;

Three Non-interference in each other's internal affairs for any reasons of an economic, political or ideological character;

Four Equality and mutual benefit; and

Five Peaceful co-existence;

Should be the fundamental principles guiding the relations between the two countries.

The two parties have resolved to conclude the present agreement in accordance with the above-mentioned principles and have for this purpose appointed as their respective plenipotentiaries:

The Government of the People's Republic of China, His Excellency Pan Tzu-li, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Kingdom of Nepal; the Government of the Kingdom of Nepal, His Excellency Chuda Prasad Sharma, Minister for Foreign Affairs of the Kingdom of Nepal, who, having examined each other's credentials and finding them in good and due form, have agreed upon the following:

Article One

The high contracting parties declare that peace and friendship shall be maintained between the People's Republic of China and the Kingdom of Nepal.

Article Two

The high contracting parties hereby reaffirm their decision to mutually exchange diplomatic representatives on ambassadorial level.

Article Three

All treaties and documents which existed in the past between China and Nepal including those between the Tibet Region of China and Nepal are hereby abrogated.

Article Four

In order to maintain and develop the traditional contacts between the peoples of the Tibet Region of China and Nepal, the high contracting parties

agree that the nationals of both parties may trade, travel and make pilgrimage in those places in each other's territory as agreed upon by both parties, and the two parties agree to safeguard the proper interests of the nationals of the other party in its territory in accordance with the laws of the country of residence, and for this purpose the high contracting parties agree to do as follows:

Paragraph One—The high contracting parties mutually agree to establish trade agencies:—

- One The Chinese Government agrees that the Government of Nepal may establish trade agencies at Shigatse, Kyerong and Nyalam;
- Two The Government of Nepal agrees that the Chinese Government may establish an equal number of trade agencies in Nepal, the specific locations of which will be discussed and determined at a later date by both parties;
- Three The trade agencies of both parties shall be accorded the same status and same treatment. The trade agents of both parties shall enjoy freedom from arrest while exercising their functions, and shall enjoy in respect of themselves, their wives and their children who are dependent on them for livelihood freedom from search.

The trade agencies of both parties shall enjoy the privileges and immunities for couriers, mailbags and communications in code.

Paragraph Two—The high contracting parties agree that traders of both countries may trade at the following places:

- One The Chinese Government agrees to specify (1) Lhasa, (2) Shigatse, (3) Gyantse and (4) Yatung as markets for trade;
- Two The Government of Nepal agrees that when with the development of Chinese trade in Nepal, it has become necessary to specify markets for trade in Nepal, the Government of Nepal will specify an equal number of markets for trade in Nepal;
- Three Traders of both countries known to be customarily and specially engaged in border trade between the Tibet Region of China and Nepal may continue trade at the traditional markets for such trade.

Paragraph Three—The high contracting parties agree that pilgrimage by religious believers of either country to the other may continue according to religious custom. Personal baggages and articles used for pilgrimage carried by the pilgrims of either party shall be exempted from taxation by the other party.

Paragraph Four— For travelling across the border between the Tibet Region of China and Nepal, the high contracting parties agree that the nationals of both countries shall use the customary routes.

Paragraph Five—For travelling across the border by the nationals of the two countries, the high contracting parties agree to adopt the following provisions:

- One Diplomatic personnel and officials of the two countries and nationals of the two countries except those provided by subparagraphs two, three and four, who travel across the border

between the Tibet region of China and Nepal, shall hold passports issued by their respective countries and visaed by the other party. Nationals of two countries who enter the Tibet Region of China or Nepal through a third country shall also hold passports issued by their respective countries and visaed by the other party.

- Two Traders of the two countries known to be customarily and specifically engaged in trade between the Tibet Region of China and Nepal, their wives and children dependent on them for livelihood and their attendants, not covered by sub-paragraph three of this paragraph, who enter into the Tibet Region of China or Nepal as the case may be for the purposes of trade, shall hold passports issued by their respective countries and visaed by the other party or certificates issued by their respective governments or by organs authorized by their respective governments.
- Three Inhabitants of the border districts of the two countries who cross the border to carry on petty trade, to visit friends or relatives, or for seasonal changes of residence, may do so as they have customarily done heretofore and need not hold passports, visas or other documents of certification.
- Four Pilgrims of either party who travel across the border between the Tibet Region of China and Nepal for the purposes of pilgrimage need not hold passports, visas or other documents of certification, but shall register at the border checkpoints or the first authorised government office of the other party, and obtain permits for pilgrimage therefrom.
- Five Notwithstanding the provisions of the foregoing sub-paragraphs of this paragraph, either government may refuse entry to any particular persons.
- Six Nationals of either country who enter the territory of the other party in accordance with the foregoing sub-paragraphs of this paragraph may stay within the territory only after complying with the procedures specified by the other party.

Article Five

This agreement shall be ratified. It shall come into effect after mutual notice of ratifications, and remain in force for eight (8) years. Extension of the present agreement may be negotiated by the two parties if either party requests for it six (6) months prior to the expiry of the agreement and the request is agreed to by the other party.

Done in Kathmandu on the 20th day of September, 1956, in duplicate in the Chinese, Nepalese and English languages, all texts being equally authentic.

SD/- PAN TZU-LI

*Plenipotentiary of the Government of
the People's Republic of China*

SD/- CHUDA PRASAD SHARMA

*Plenipotentiary of the Government of
the Kingdom of Nepal*

A. (NOTES ON THE EXCHANGE OF DIPLOMATIC REPRESENTATIVES)

KATHMANDU, SEPTEMBER 20, 1956.

HIS EXCELLENCY MR. PAN TZU-LI,
Head of the Delegation of the
Government of the People's
Republic of China.

Your Excellency,

In the course of our discussions regarding the conclusion of the "agreement to maintain friendly relations between the People's Republic of China and the Kingdom of Nepal and on trade and intercourse between the Tibet Region of China and Nepal", both parties agree that the diplomatic representatives at ambassadorial level exchanged between China and Nepal will be for the time being their respective ambassadors accredited to India.

I shall be grateful if Your Excellency could kindly give the concurrence in this matter.

CHUDA PRASAD SHARMA

*Head of the Delegation of
the Government of the Kingdom of Nepal*

KATHMANDU, SEPTEMBER 20, 1956.

HIS EXCELLENCY MR. CHUDA PRASAD SHARMA,
Head of the Delegation of the Government
of the Kingdom of Nepal.

Excellency,

I have the honour to acknowledge the receipt of your note dated September 20, 1956, which reads as follows:

"In the course of our discussions regarding the conclusion of the 'agreement to maintain friendly relations between the People's Republic of China and the Kingdom of Nepal and on trade and intercourse between the Tibet Region of China and Nepal', both parties agree that the diplomatic representatives at ambassadorial level exchanged between China and Nepal will be for the time being their respective ambassadors accredited to India".

On behalf of the Government of the People's Republic of China, may I write to agree to the contents stated in Your Excellency's aforesaid note.

PAN TZU-LI

*Head of the Delegation of the
Government of the People's Republic of China*

B. (NOTES ON TRADE AND INTERCOURSE BETWEEN TIBET REGION OF CHINA AND NEPAL)

KATHMANDU, SEPTEMBER 20, 1956.

HIS EXCELLENCY MR. CHUDA PRASAD SHARMA,
Minister for Foreign Affairs of the
Kingdom of Nepal.

Excellency,

In the course of our discussions regarding the agreement to maintain the friendly relations between the People's Republic of China and the Kingdom of Nepal and on trade and intercourse between the Tibet Region of China and Nepal, the Delegation of the Government of the People's Republic of China and the Delegation of the Government of the Kingdom of Nepal agreed that certain related matters be regulated by an exchange of notes. In pursuance of this understanding, it is hereby agreed between the two governments as follows:

- One The two parties mutually agree to establish consulates-general: The Chinese Government agrees that the Government of Nepal may establish a consulate-general at Lhasa of the Tibet Region of China. The Government of Nepal agrees that the Chinese Government may establish a consulate-general at Kathmandu of Nepal, the date for the establishment of which will be discussed and determined at a later date.
- Two The Government of Nepal will be pleased to withdraw completely within six months after this exchange of notes its military escorts now in Lhasa and other places in the Tibet Region of China, together with all their arms and ammunition.¹ The Chinese Government will render facilities and assistance in such withdrawal.
- Three Nepalese nationals in the Tibet Region of China and Chinese nationals in Nepal shall be subjected to the jurisdiction of the government of the country of residence, observe the laws and regulations of the country of residence, pay taxes to that government and respect the local customs. All civil and criminal cases or disputes in which nationals of one party in the territory of the other may be involved, shall be dealt with by the government of the country of residence.
- Four The government of either party will protect and safeguard the person, property and legitimate interests of the nationals of the other party in its territory.
- Five (A) The governments of the two parties agree that the nationals of either party in the territory of the other party, under

¹ On March 30, 1957 it was officially announced in Kathmandu that the Nepalese Foreign Ministry had ordered the immediate withdrawal of Nepal's armed escorts in Tibet, without waiting for the ratification of the Agreement.

the condition that they pay rents according to market prices and sign contracts for lease with the house owners on a mutually voluntary basis, may have the facility to rent houses.

(B) Nationals of either party who have already rented houses in the territory of the other party, under the condition that they pay rents according to market prices and that contracts for lease are or have been concluded with the house owners on a mutually voluntary basis, may continue to rent the houses.

- Six Both parties agree to adopt necessary measures to promote and expand the trade relations between the two countries, and to levy customs duties on the import and export commodities of the two parties in accordance with the favoured tax rates of each government.
- Seven The range of business engaged in by the traders of either party in the territory of the other shall comply with the relevant laws and regulations of the Government of the country of residence.
- Eight The Nepalese primary school in Lhasa of the Tibet Region of China shall be changed into a primary school for children of Nepalese nationals and shall complete registration procedures in accordance with the relevant regulations of the Chinese Government.
- Nine The two parties agree to establish direct wireless telegraphic service between Lhasa and Kathmandu, the specific arrangements of which will be discussed and decided upon at a later date by the departments concerned of both parties.
- Ten The government of either party will assist the consulate-general and the trade agencies of the other in its territory in renting houses.
- Eleven The trade agents of both parties may, in accordance with the laws and regulations of the country of residence, have access to their nationals involved in civil or criminal cases.
- Twelve The trade agents and traders of both countries may hire employees in the locality.
- Thirteen Traders and pilgrims of both countries shall have the facilities of hiring means of transportation at normal and reasonable rates.
- Fourteen The two parties agree that any person resides in the Tibet Region of China born of parents holding respectively the nationality of the People's Republic of China and the nationality of the Kingdom of Nepal and of 18 years of age or above may, according to their own will, choose the nationality of the People's Republic of China for themselves and their children who are under the age of 18, by completing relevant procedures at the Chinese Government. After the completion of the above mentioned procedures, they and their

children under the age of 18 shall be considered to have lost automatically the nationality of Nepal.

If the Government of the Kingdom of Nepal agrees to the present note, the present note along with Your Excellency's reply shall become an agreement between our two governments which shall come into force upon the exchange of the present note and your Excellency's reply.

I avail myself of this opportunity to express to Your Excellency the assurances of my highest consideration.

SD/- PAN TZU-LI

*Ambassador Extraordinary and Plenipotentiary
of the People's Republic of China to the
Kingdom of Nepal*

KATHMANDU, SEPTEMBER 20, 1956.

HIS EXCELLENCY MR. PAN TZU-LI,
Ambassador Extraordinary and Plenipotentiary
of the People's Republic of China to the
Kingdom of Nepal.

Excellency,

I have the honour to acknowledge receipt of Your Excellency's note of September 20, 1956, which reads as follows:

(The note from Ambassador Pan is here quoted *in toto* up to the end of Article Fourteen)

On behalf of the Government of the Kingdom of Nepal, I hereby agree to Your Excellency's note. Your Excellency's note along with this reply shall become an agreement between our two governments which shall come into force upon the exchange of the present notes.

I avail myself of this opportunity to express to Your Excellency the assurance of my highest consideration.

SD/- CHUDA PRASAD SHARMA

*Minister for Foreign Affairs of the Kingdom of
Nepal*

(*Survey of China Mainland Press* : 1378 : September 27, 1956 : 17-23)

100. Editorial in the People's Daily on success of Sino-Nepalese relations, Peking, September 24, 1956 (Excerpts)

* * * * *

NEPAL is China's neighbour. Long standing friendship exists between the two peoples. In recent years, we have established good neighbour relations on a new basis. Both China and Nepal advocate observance of the five principles of peaceful co-existence in international relations and work for friendly co-operation among nations. Through the negotiations between

the two governments, we have now reiterated the five principles of peaceful co-existence as principles guiding the relations between the two countries and have declared that we should maintain peace and friendship. Thus our two countries have crystallized our long standing friendly relations in a new agreement.

* * * * *

Certain abnormalities that formerly existed in the relations between the Tibet Region of China and Nepal were vestiges of the past. Now conditions have changed in both our countries and we are all advancing on the new road of development. Therefore, we have abrogated the treaties of the past and concluded this new one in their place. This is completely in line with the common wishes of the two peoples. There is no doubt that the signing of the new agreement based on the five principles of peaceful co-existence will greatly promote economic and cultural exchange between China and Nepal and contribute to their common prosperity and development.

The negotiations between China and Nepal show that if sincere negotiations are conducted in accordance with the principles of mutual respect, equality and mutual benefit, any long outstanding complex problem can be solved without difficulty. The success of the Sino-Nepalese negotiations therefore will extend the influence of the five principles of peaceful co-existence in Asian countries.

Nepal is also India's close neighbour and the two countries have always maintained friendly and close relations. Since China, India and Nepal are all neighbours and executors of the five principles of peaceful co-existence, it is only natural that our three countries have become close friends. Tanka Prasad Acharya, the Prime Minister of Nepal, recently said that China and India "are our great friends", and that "Nepal shall always remain a dependable link between the two countries". We highly value this sincere friendship of Nepal. We will certainly reciprocate such friendship. Let China, India and Nepal work ceaselessly to strengthen our good neighbour relations so as to set an example of friendly co-operation among the nations of Asia and contribute our efforts to the cause of peace.

(Survey of China Mainland Press : 1378 : September 27, 1956 : 24-25)

101. Press conference of Mr. Tanka Prasad Acharya, New Delhi, September 2, 1956 (Excerpts)

NEPALESE Premier Tanka Prasad Acharya said that his coming visit to China would not affect the neutrality of his country.

The purpose of the visit, he said, was to convey a message of friendship and goodwill of the people on one side of the Himalayas to the people on the other side.

"I am going to call on my neighbour who has been sharing with us the great Himalayas across which we live. It is natural that the two neighbours should strengthen their ties," the Prime Minister said.

He said that Nepal would always be a "dependable link between India and China".

He stated that he was not going to China for any material gain. "We have friends and friends are willing to assist us. We certainly will accept all genuine help from neighbours and distant friends alike, if acceptance does not involve our dignity", the Nepalese Prime Minister said.

Asked what kind of neutrality—Swiss or any other—he would like Nepal to follow, he replied: "We want to develop neutrality under which Nepal will be able to serve the cause of peace and afford sympathy for the oppressed. We do not like the bloc system in human relations. We want open and frank relations between neighbours and nations based on mutual co-operative co-existence".

(*Survey of China Mainland Press* : 1364 : September 6, 1956 : 44)

102. Statement of Mr. Tanka Prasad Acharya on arrival at Peking airport, September 26, 1956 (Excerpts)

* * * * *

THE Chinese revolution of our times has attracted the attention of the whole world. But what has produced a deep impression on the people of Asia is the resurgence of China and the awakening of the Chinese people. Therefore I have come to see for myself all that I have heard, from friends and other sources, of the tremendous national reconstruction that New China has done in the course of these few years and of her great achievements in the field of national development.

* * * * *

Like other things of human value, friendship, goodwill, cultural reciprocity and economic co-operation must be nourished in a fashion suitable to the temper of the age, from generation to generation, so that it may continue to grow free and unimpeded like the flags of our two countries which I see before me fluttering peacefully side by side under the resplendent blue dome of the autumnal sky. The generations of the past have done their duty, to which the precious legacy of friendship which they have bequeathed to us bears silent but eloquent evidence. It is for us of the present generation to start afresh from the point where they left off and consolidate and enhance the feelings of kindly regard and loving tenderness with which by force of tradition we look upon each other and the expectations of friendly help and co-operation with which we look to each other.

Nepal has always been a peace-loving nation, entertaining cordial good wishes towards the well-being and prosperity of her neighbours. I have already referred to the earnest efforts made by Buddha through his preachings of non-violence and goodness towards all living beings. Coming down to the modern times, I recall in particular the five principles of peaceful co-existence in the agreement of friendship between China and Nepal and other like efforts made by Nepal in relaxing world tension. It is my belief that China and Nepal can work together in promoting world peace through the cultivation of better understanding among nations. For both our countries are committing to large scale national reconstruction and both our countries realise that national reconstruction on any scale is not possible except in the background of world peace which can be fostered only through world understanding. It is only in an atmosphere of peace that give and take in the economic and cultural spheres between nation and nation is rendered possible.

The friendship between our two sovereign nations, China and Nepal, therefore has its bearings not only in the prosperity of our two countries. It is not only mutually advantageous in the fields of politics and economics, art and culture. Its wider significance lies in the fact that it has something to do with the preservation of universal peace and that it is a step which brings the ideal of universal peace a little nearer to complete realization.

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(*Survey of China Mainland Press* : 1381 : October 2, 1956 : 19-20)

103. Speeches of Mr. Chou En-lai and Mr. Tanka Prasad Acharya at a banquet, Peking, September 27, 1956 (Excerpts)

Chinese Premier Chou En-lai's speech:

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YOUR Excellency the Prime Minister, you have undoubtedly seen the warm feelings extended to you and other distinguished guests from Nepal by the Chinese people. This is very natural because you represent a neighbouring country which has had friendly relations with China for over a thousand years. In the past hundred years and more, owing to the evils of colonialism, the normal relations between our two peoples had been disrupted and obstructed. After China and Nepal won their independence respectively, we had friendly contacts through our delegations at the Bandung Conference in 1955 and in the same year China and Nepal formally established diplomatic relations and affirmed the five principles of peaceful co-existence as the fundamental principles guiding the relations between the two countries. Thus, the relations between China and Nepal turned to a new page. We are very glad to see that since then, the friendly relations between us have been further developed on the original basis. The mutual understanding between us has been strengthened and our contacts which were interrupted for a long time are increasing from day to day. Last May, Vice-Premier Ulanfu of China went to Kathmandu as China's special envoy to attend the grand coronation of His Majesty Mahendra Bir Bikram Shah Deva, King of Nepal. Two months ago, the Cultural Delegation of Nepal headed by Mr. Sharma visited China, and left a deep and excellent impression on the Chinese people.

Your Excellency the Prime Minister, your friendly visit to China is just at a time when we are celebrating the signing by our two governments of the agreement to maintain the friendly relations between the People's Republic of China and the Kingdom of Nepal and on trade and intercourse between the Tibet Region of China and Nepal. This agreement is a new milestone of the friendship between China and Nepal, just as between China and India, friendly and intimate good neighbourly relations have already been established on the basis of the five principles—Panch Shila—first advocated by China and India. According to the new agreement signed between China and Nepal, Nepal has abrogated the treaties which had rendered the relations between China and Nepal not entirely normal. We appreciate very much this expression of friendship on the part of Nepal. So far as China is concerned, our socialist system completely precludes the possibility for China to launch aggression against any country. In our relations with Nepal in the

future, we will prove by deeds that we will strictly adhere to the five principles of peaceful co-existence—Panch Shila.

The peoples of China and Nepal are peoples who love peace and freedom. In the past we sympathized with each other in our struggles against imperialism, and today, as we are both striving for reconstruction in a peaceful environment, mutual co-operation is all the more necessary. The Chinese people are working hard for their own prosperity and happiness. As friends, we express our sympathy and admiration for the enthusiasm and efforts of the Nepalese Government and people in the desire to construct their country. We think that in our respective constructions there will certainly be many aspects in which we could learn from and help each other. Precisely because of this, there is a broad prospect for further development of the Sino-Nepalese friendly relations.

The Chinese people highly respect and welcome the policy adopted by the Government of the Kingdom of Nepal in its international relations, a policy of peace and neutrality and of promoting friendship and solidarity with all countries and the Asian countries in particular. Despite of the fact that there are persons trying hard to hold onto colonial rule in Asia and Africa, the solidarity among the Asian and African countries in their common cause of opposing colonialism is increasingly strengthening. The times when the fate of the Asian and African countries was manipulated by others have definitely gone for ever. I am deeply convinced that this friendly visit of Your Excellency the Prime Minister and other friends from Nepal will not only further enhance the understanding and friendship between our two countries, increase contacts and strengthen the co-operation in various respects between our two countries, but at the same time, contribute to the solidarity among the Asian countries and peace in the world.

Nepalese Premier Tanka Prasad Acharya's speech :

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Nepal feels very happy to be between the two great and most progressive republics in Asia—China and India. And it is indeed gratifying to note that Nepal enjoys the best of friendship and goodwill from her two great neighbours. Although Your Excellency has referred to the non-aggression policy of the People's Republic of China towards her neighbours, I would like to state that the Government of Nepal have never entertained such apprehensions from her good neighbours, more so when these two great neighbours of Nepal are the great promoters of peace, friendship and peaceful co-existence of our times.

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China and India are engaged in their great and noble task of nation building and Nepal too, with her limited resources, has been endeavouring for her economic development. I am confident that mutual help and assistance in the field of national reconstruction will not be lacking among our three friendly countries.

We, who are engaged in national development, need peace. Let us hope that peace will reign supreme in this world for hundreds of years.

104. Joint communique issued at the end of Mr. Tanka Prasad Acharya's visit to China, Peking, October 7, 1956

At the invitation of Premier Chou En-lai of the People's Republic of China, His Excellency Tanka Prasad Acharya, Prime Minister of the Kingdom of Nepal, arrived in China on September 25, 1956 for a friendly visit.

During the stay of His Excellency Prime Minister Acharya in Peking, talks were held between him and Premier Chou En-lai of the People's Republic of China. Taking part in the talks were,

On the side of the People's Republic of China:

Ulanfu, Vice-Premier of the State Council;

Chang Han-fu, Vice-Minister of Foreign Affairs;

On the side of the Kingdom of Nepal:

Narapratap Thapa, Secretary of the Ministry of Foreign Affairs.

The two Prime Ministers reviewed the traditional friendship and close ties existing from ancient times between China and Nepal, and expressed their appreciation of the further development of the friendly and neighbourly relations between the two countries since the establishment of diplomatic relations between China and Nepal and the affirmation of the five principles (Panch Shila) of peaceful co-existence initiated by China and India as the fundamental principles guiding their relations. The two parties expressed that they would make joint efforts to further develop this relationship.

The two Prime Ministers held that peaceful co-existence between nations is not only necessary but also possible. The Chinese and the Nepalese Governments will continue, in line with the five principles, to make contributions for the strengthening of peace in Asia and Africa and in the world and the promotion of solidarity and co-operation among the Asian and African countries. The two parties expressed satisfaction over the fact that more and more countries have come to support and accept the five principles of peaceful co-existence.

After friendly negotiations, the Governments of China and Nepal signed on September 20, 1956 the "Agreement to Maintain the Friendly Relations between People's Republic of China and the Kingdom of Nepal and on Trade and Intercourse between the Tibet Region of China and Nepal". The two Prime Ministers believe that this agreement will further enhance the traditional friendship between the two peoples and the trade and intercourse between the Tibet Region of China and Nepal. After the ratification of this agreement, the two Governments will work for the thorough implementation of its provisions.

With a view to achieving the prosperity of their respective countries and the happiness of their peoples, the two Prime Ministers agreed that the two countries would continue to develop their traditional, economic and trade relations on the principles of equality and mutual benefit.

The two Prime Ministers expressed the desire to strengthen the cultural ties between the two countries. They consider that cultural exchanges between the two countries are one of the important means of promoting their friendly relations.

The two Prime Ministers are very glad to have this opportunity of meeting

each other and exchanging their views. They believe that their talks have not only strengthened the mutual understanding, confidence and friendship between China and Nepal, but also contributed to the cause of safeguarding peace in Asia, Africa and the world.

(*Survey of China Mainland Press* : 1387 : October 10, 1956 : 30-31)

105. Press conference of Mr. Tanka Prasad Acharya, Peking, October 7, 1956 (Excerpts)

PRIME Minister Acharya of Nepal declared at a press conference that his time in China "was well spent". He said he had met the leaders of the Chinese Government in a very cordial atmosphere. There was "none of the tendency towards great nation chauvinism or self-conceit".

He said he was impressed by the Chinese people's "inexhaustible enthusiasm for national construction and limitless faith in the future".

The Nepalese Prime Minister declared that China had agreed to give 60 million Indian rupees of aid in the next three years to help Nepal for its first five-year plan.

He added, "No condition has been attached to this economic aid, and China will not send any technical personnel to Nepal. The money and material of this economic aid will be put entirely at the disposal of the Nepalese Government and the Chinese Government will not interfere".

Prime Minister Acharya said that the agreement recently signed between the Kingdom of Nepal and the Chinese People's Republic at Kathmandu would have favourable effects on the friendly relations between the two countries "because it is based on Panch Shila".

On the basis of friendship and equality, the Prime Minister said, the problem about foreign exchange for Nepalese traders in Tibet was no longer an outstanding problem. "I believe the Chinese Government will provide adequate facilities for Nepalese traders," he added.

The Nepalese leader pointed out that friendly relations among China, Nepal and India could be strengthened by various means, including mutual contacts, economic co-operation, cultural exchange and the peace movement.

Following the Nepalese Cultural Mission's visit to China two months ago, he said, the Nepalese Government had invited a Chinese Cultural Mission to visit Nepal. This would help mutual understanding of each other's culture, the Prime Minister added.

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(*Survey of China Mainland Press* : 1387 : October 10, 1956 : 31-32)

106. Speeches of Mr. Tanka Prasad Acharya and Mr. Chou En-lai at a banquet, Kathmandu, January 26, 1957 (Excerpts)

Nepalese Premier Acharya:

THE Nepalese Prime Minister, Mr. Tanka Prasad Acharya said that universal welfare would come from all successes achieved by Chou En-lai

and Nehru in bringing about Asian-African unity and that Nepal lay between these two great friendly nations, China and India. He said: "India's respect for Nepal's sovereignty and co-operation and assistance is known to all. At the same time China's respect for sovereignty of Nepal and sympathetic co-operation and assistance extended to Nepal by China is not less known. In fact the undercurrent of sympathy and goodwill which I could feel during my tour of China and which I could easily find out in the policy of your Government has been a source of great satisfaction for Nepal".

The Prime Minister of Nepal emphasized the importance of Asian-African unity and cautioned against being led astray at times in consideration of petty gains. "Wherever we assemble or whenever we meet we should have before us our great goal of Asian-African unity and solidarity and we must wipe out the feeling of difference between nations, great and small, by setting aside petty and minor issues of divergence".

He said Nepal has integrated Panch Shila in her State policy and that "when this doctrine is adopted by all countries of Asia and Africa our unity will be firmly and finally attained".

Addressing Chou En-lai as his "personal friend" and as an "intimate trans-Himalayan friend of Nepal", Acharya said that he was sure Premier Chou's visit to Nepal would greatly help the growth of the spirit of friendship and goodwill between China and Nepal.

Chinese Premier Chou En-lai:

In reply, Chou En-lai said that at a time when the colonialists were not reconciled to defeat and incessantly trying to resort to aggression and threat against the peoples in Asia and Africa, "it is more necessary for our two countries to strengthen our co-operation in international affairs and make greater efforts for the maintenance of world peace together with our great neighbour India and all peace-loving forces in the world".

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He said that in efforts to build up their respective countries and advance the welfare of their people, China and Nepal could learn from each other and help each other in many fields. "We have full sympathy for the efforts made by the Government of Nepal and the Nepalese people to build up their country and are willing to give continued support within our ability".

(*Survey of China Mainland Press* : 1461 : January 30, 1957 : 24-25)

107. Joint communique issued at the end of Mr. Chou En-lai's visit to Nepal, Kathmandu, January 29, 1957

At the invitation of Tanka Prasad Acharya, Prime Minister of the Government of the Kingdom of Nepal, Chou En-lai, Premier of the People's Republic of China, arrived in Kathmandu on January 25, 1957 on a friendly visit.

During Premier Chou En-lai's friendly goodwill visit in Nepal, the two Premiers held talks in an extremely harmonious atmosphere. In the spirit of the intimate and friendly talks which they had held in Peking,

the two Premiers recalled and reaffirmed the traditional friendship which has existed between the two countries since time immemorial. They affirmed that ever since China and Nepal established diplomatic relations and concluded an agreement for the maintenance of friendship, the close and friendly relations between the two countries have steadily grown and they expressed satisfaction over this.

The two Premiers held that their exchange of visits had also proved to be beneficial to the further growth of friendship between China and Nepal. They regarded such visits and the cultural and economic exchange between the two countries as capable of immensely strengthening the bonds of friendship between them.

The two Premiers expressed interest in the all-round development of their two countries and held that world peace was very necessary for the progress and prosperity of China, Nepal, and other countries of Asia, Africa and the world.

The Premiers reiterated their support for the Bandung principles and expressed satisfaction over the broad support and acceptance by many countries in Asia and Africa and the world of the five principles of peaceful co-existence (the Panch Shila) jointly initiated by China and India.

The Premiers agreed that Asian-African solidarity was of tremendous significance to the safeguarding of world peace. To complete this tremendous task, the Asian and African countries should rise above the minor differences between them. Despite their different political systems the Asian and African countries shared the great aims of defending their own national independence and freedom, constructing their own countries and promoting the welfare of their own people. The Premiers regarded this unanimity of purposes as providing a basis for their solidarity. They further pointed out that the unity among countries which they had in mind was not confined to the Asian and African countries but also formed a basis for the real unity among all peace-loving countries in the world.

The Premiers agreed that all countries in the world would eventually come to realise the great importance of the five principles of peaceful co-existence, and that humanitarianism of mankind would finally gain the upper hand over and defeat arrogance based on strength arising from the possession of large-scale destructive lethal weapons.

The Premiers were very glad to have the present opportunity of meeting each other and were deeply moved by the friendly feelings between the peoples of the two countries. They considered this as a real basis for further development of Sino-Nepalese friendship.

(*China Today* : 1 (3) : February 25, 1957 : 12)

108. Speech of the Nepalese delegate Mr. S. P. Upadhyaya on the draft resolution¹ on the question of Tibet and the violation of human rights and fundamental freedoms in the U.N. General Assembly, New York, October 20, 1959

WHILE considering the items of the agenda to be submitted to the fourteenth

¹ No. A/L. 264 Co-sponsored by Ireland and the Federation of Malaya.

session of the General Assembly at the very beginning of the present session, my delegation had an opportunity to intervene in the debate on the question of the representation of China in the United Nations¹. In spite of our best efforts, the question of China's representation was postponed this year, as it was in previous years. Now a new item has been brought forward for the consideration of the Assembly, and this new item deals with the Question of Tibet in the form of a draft resolution (A/L. 264) concerning recent events that have happened there.

It is perhaps not necessary for me to stress that the Question of Tibet is a question that is intimately connected with the question of China's representation in the United Nations. The Question of Tibet is being pressed for debate against a certain background of events that have occurred there during the last nine or ten months. The Dalai Lama has left Tibet and gone to India and received political asylum there. There has been an influx of Tibetan refugees into India and Nepal. For example, about a thousand refugees have come into Nepal from across the Tibetan border. These are the events that lie in the background of this Question of Tibet. It is the Government of People's Republic of China that is believed to be responsible for these events, but that Government still remains unrepresented in the United Nations.

It is true that many questions or issues have been brought before the United Nations which are claimed by interested Member States to be internal. The United Nations has actively taken up many such questions, such as race relations in South Africa and the anti-colonial struggle in Algeria. But in all these cases the interested States have always been represented in the United Nations. I venture to submit that the Question of Tibet is the only question that has been brought before the United Nations without the interested State, namely, the People's Republic of China, being represented. In our opinion, this kind of attitude is against the spirit of the United Nations Charter, the overriding objective of which is to ensure fair play and justice to small and big nations alike. We wonder what useful purpose has been served by bringing the question of Tibet before the United Nations when China itself is not represented here.

Then there is another aspect of the problem. There are many Member countries which have recognized China and which have also recognized the special kind of relationship that exists between China and Tibet today. So far as Nepal is concerned, there is a definite agreement between Nepal and China defining clearly our relations with China, including the matters connected with Tibet. There are many other countries which have somewhat similar agreements, arrangements or understandings. Such countries are by no means confined to the communist bloc, or even to Asia alone.

Both the memorandum that accompanied the request for inscription (A/4234) and the draft resolution that is before us, while claiming that there has been in Tibet a hindrance to the traditional, cultural and religious way of life, speak merely of Tibetan autonomy, which indicates clearly that even the sponsors of the item recognize China's suzerainty over Tibet. Even Mr. Tsiang² appears to hold the same view.

¹ See page 223.

² Representative of Taiwan.

The question of human rights and their suppression has been raised many times by many countries in the General Assembly, as well as in the General Committee. If we speak of human rights and their suppression in Tibet, we should first try to find out what human rights the Tibetan people have enjoyed through the centuries and which of these human rights have been denied to the people of Tibet today. It is only after we have studied and examined these matters carefully that we can look at the Question of Tibet in proper perspective. Even Tibet has to be viewed in the context of the new, changing, revolutionary Asia. In the tremendous transformation through which Asia is passing now, traditional patterns of life, the tempering with which the memorandum deplors, will have to be substantially modified, and we believe that Tibet will be no exception to this.

Therefore, in Asia today a call for a reversion to the traditional way of life may amount practically to a call for the maintenance of the social *status quo*, when this *status quo* is no longer desirable and can no longer be maintained. Therefore, while we still value the traditional way of life in every country, in so far as it does not stand in the way of political, economic and spiritual progress, we are not inclined to accept tradition as an end in itself, as a sacred, absolute thing which should never be molested.

For these and many other reasons, we believe that no useful purpose has been served by bringing the Question of Tibet before the United Nations. In these circumstances, we would not support and vote for the inscription of the item on the agenda, and I am afraid that we will not vote for the draft resolution, and for the very same reasons. Moreover, we believe that at a time when the main efforts of the responsible statesmen of the east and west have been directed towards relaxation of tension and thawing of the cold war, the inscription of the item and the consequences that have followed from the inscription have worked in the direction of the defeating of that very purpose. The stand of my delegation on this question has been guided by the considerations I have set forth.

(*General Assembly Official Records*: 831st Plenary meeting: October 20, 1959: paras 55-62)

109. Joint communique issued at the end of Mr. B. P. Koirala's visit to China, Peking, March 21, 1960

At the invitation of Chou En-lai, Premier of the State Council of the People's Republic of China, His Excellency Bishweshwar Prasad Koirala, Prime Minister of the Kingdom of Nepal, arrived in the People's Republic of China on March 11, 1960 on a friendly visit. Accompanying Prime Minister Koirala to China were: Ganesh Man Singh, Minister for Works and Communications; Surya Prasad Upadhyaya, Minister for Home and Law; Nara Pratap Thapa, Foreign Secretary of the Ministry of Foreign Affairs; Biswa Shankar Sukla, Secretary of the Ministry of Commerce and Industry, and other officials of His Majesty's Government of Nepal.

During his visit in China Prime Minister Koirala was received by Mao Tse-tung, Chairman of the Central Committee of the Chinese Communist Party, and Liu Shao-chi, Chairman of the People's Republic of China.

Cordial and friendly talks were held between Premier Chou En-lai and Prime Minister Koirala. Taking part also in the talks were, on the Chinese side: Chen Yi, Vice Premier of the State Council and Minister of Foreign Affairs; Lei Jen-min, Acting Minister of Foreign Trade; Chang Han-fu, Vice Minister of Foreign Affairs; Ku Tso-hsin, Vice Chairman of the State Planning Commission; Pan Tzu-li, Ambassador of the People's Republic of China to the Kingdom of Nepal; and Chang Shih-chieh, Deputy Director of the First Asian Department of the Ministry of Foreign Affairs; and on the side of the Kingdom of Nepal: Ganesh Man Singh, Minister for Works and Communications; Surya Prasad Upadhyaya, Minister for Home and Law; Nara Pratap Thapa, Foreign Secretary of the Ministry of Foreign Affairs; and Viswa Shankar Sukla, Secretary of the Ministry of Commerce and Industry.

During the talks, the two sides held frank and free discussions on matters of common interest, in particular the question of consolidating and further developing friendly relations between China and Nepal.

The two sides pointed out with satisfaction that China and Nepal, in their mutual relations, had consistently and faithfully adhered to the Five Principles of peaceful co-existence. In order to ensure tranquillity on the border of the two countries and bring about the formal delimitation of the boundary between China and Nepal as soon as possible, the Governments of the two countries signed the "Agreement Between the Government of the People's Republic of China and His Majesty's Government of Nepal on the Question of the Boundary Between the Two Countries". Under the guidance of the Five Principles, the two sides settled smoothly through friendly consultations this question inherited from history, thus adding a new page to the annals of friendly relations between the two countries.

Out of its profound desire to maintain lasting peace and close friendship between the two countries, the Chinese Government proposed that the two countries conclude a treaty of peace and friendship. Prime Minister Koirala appreciated this proposal of the Chinese Government.

In order to further strengthen the economic co-operation between the two countries so as to promote the prosperity of the two countries and the well-being of their peoples, the Governments of the two countries, in accordance with the principles of non-interference in each other's internal affairs and equality and mutual benefit, signed the "Agreement Between the Government of the People's Republic of China and His Majesty's Government of Nepal on Economic Aid". According to this Agreement the Chinese Government, at the request of His Majesty's Government of Nepal agreed to give the latter, within a period of three years, a free grant of aid of a total value of 100,000,000 (one hundred million) Indian Rupees, without any political conditions attached. This aid does not include the remaining 40,000,000 (forty million) Indian Rupees, provided under the Agreement Between China and Nepal on Economic Aid of 1956, which has not yet been used by His Majesty's Government of Nepal.

Prime Minister Koirala brought to the Chinese people the profound friendship of the Nepalese people; at the same time, he also saw during his visit the sincere friendship the Chinese people cherished for the Nepalese people. To further strengthen the ties and co-operation between the two countries,

the two Governments agreed to establish embassies mutually in Peking and Kathmandu. The two sides confirmed that the continuous development of friendly co-operation between China and Nepal was not only in the interest of the peoples of the two countries, but also in the interest of the solidarity of Asian countries and world peace.

Prime Minister Koirala invited Premier Chou En-lai to visit Nepal. Premier Chou En-lai accepted the invitation with pleasure. The two sides agreed that they would discuss and sign the treaty of peace and friendship between the two countries during Premier Chou En-lai's visit in Nepal.

(*Peking Review* : III(13) : March 29, 1960 : 7-8)

110. Address of Mr. Chou En-lai to the joint session of the Maha Sabha and Pratinidhi Sabha, Kathmandu, April 28, 1960

I feel gladly honoured and pleased to be able to come again, after a lapse of three years, to our close neighbour, Nepal, for a friendly visit, and to have the opportunity of meeting the respected Members of the Parliament at a joint session of the *Maha Sabha* and *Pratinidhi Sabha* of Nepal. I heartily thank His Excellency Prime Minister Koirala for his kind invitation and His Majesty's Government of Nepal for its warm hospitality. I heartily thank Messrs Chairman and Speaker of the Parliament for giving me the opportunity to speak from this lofty rostrum and thank you all for the warm welcome you accord me and my colleagues. I would like to avail myself of this opportunity to convey to the Nepalese people, on behalf of the Chinese people, our cordial greetings and most friendly wishes.

China and Nepal are two ancient and yet young countries. There exists between our two peoples a profound traditional friendship of long standing. Since the formal establishment of diplomatic relations between our two countries, we have not only restored our once interrupted friendly ties, but, on the basis of the Five Principles of peaceful co-existence, founded new good neighbourly relations. During the past several years, our two countries have consistently adhered to the Five Principles of peaceful co-existence and unremittingly upheld our friendship. Recently, as a result of the signing of the Sino-Nepalese agreement on the question of the boundary between the two countries and the Sino-Nepalese agreement on economic aid, our relations of friendly co-operation have entered into a new stage. It is certainly no exaggeration when we say that thanks to the joint efforts of our two governments and peoples, we have in our relations set an example of peaceful co-existence between countries of different social systems.

Both China and Nepal are faced with the arduous task of building up their own countries. We deeply realise that for us Asian and African countries, only when we have become independent economically, can we enrich the content of political independence and provide a complete guarantee for our independence. Up till now, both our countries are still backward economically and lack experience in construction. This objective reality determines that it is necessary for us to help each other and strengthen our

co-operation in economic construction. Among the Asian and African countries, the development of national economy by any of them is in itself an encouragement and support to the others. It is in this spirit that the Chinese people have been strengthening economic co-operation with the other Asian and African countries. We sincerely hope that Nepal will rapidly become prosperous and strong. The prosperity and strength of Nepal, like those of other Asian and African countries, are a powerful support for our country, China. Both China and Nepal are peace-loving countries which dearly cherish independence and freedom. In their Constitution, the Chinese people solemnly proclaim in legal terms their desire—that “in international affairs, our firm and unswerving principle is to strive for the lofty aim of world peace and human progress”. We note with pleasure that the movements in Asia, Africa and Latin America against imperialism and colonialism and for winning and safeguarding national independence are continuing to rise, and that new states are emerging one after another. As a result of the universal upsurge of the national independence movements and the persistent and untiring efforts of the peace-loving countries and peoples all over the world, a certain degree of relaxation has appeared in the international situation. The forces working for lasting world peace are so strong that even the Western countries, too, have had to put out certain signs of relaxation. It can be said that the prospects for winning world peace have never been as favourable as they are today. For this, the people of our two countries, as well as the other peace-loving people all over the world, feel gratified and encouraged. Nevertheless, we must also be aware that the aggressive imperialist circles, while making avowals for peace, are intensifying armament expansion and war preparations. They continue to organise military alliances, set up military bases and reinforce their military blocs. And they are trying their utmost to prevent agreement between the East and West on major international questions. What calls for particular attention is the fact that, fostered by aggressive imperialist circles, the militarist forces which launched the last World War are reviving and posing fresh threats to peace and security of the world. All this shows that the upholding of world peace is still an arduous task. It is necessary for all the peace-loving countries and people of the world to further strengthen their solidarity and go on making uninterrupted and still greater efforts.

His Majesty's Government of Nepal has repeatedly stated that it is determined to pursue an independent policy of neutrality, not to join any military bloc, and to carry out firmly the Five Principles of peaceful co-existence. The Chinese Government and people warmly welcome and fully support this policy of His Majesty's Government of Nepal. This policy is not only in the interest of Nepal's peaceful development and the smooth implementation of its Five-Year Plan for economic construction, but also in the interest of the noble cause of preserving the solidarity of Asian countries and consolidating world peace. The Chinese Government and people are willing to strengthen further the co-operation with His Majesty's Government of Nepal and the Nepalese people in continuing to make concerted efforts for safeguarding world peace and promoting the solidarity and friendly co-operation among Asian and African countries.

111. Treaty of Peace and Friendship, Kathmandu, April 28, 1960

THE Chairman of the People's Republic of China and His Majesty the King of Nepal, desiring to maintain and further develop peace and friendship between the People's Republic of China and the Kingdom of Nepal,

Convinced that the strengthening of good-neighbourly relations and friendly co-operation between the People's Republic of China and the Kingdom of Nepal is in accordance with the fundamental interests of the peoples of the two countries and conducive to the consolidation of peace in Asia and the world,

Have decided for this purpose to conclude the present Treaty in accordance with the Five Principles of peaceful co-existence jointly affirmed by the two countries, and have appointed as their respective Plenipotentiaries:

The Chairman of the Peoples's Republic of China: Premier Chou En-lai of the State Council,

His Majesty the King of Nepal: Prime Minister Bishweshwar Prasad Koirala.

The above-mentioned Plenipotentiaries, having examined each other's credentials and found them in good and due form, have agreed upon the following:

Article I

The Contracting Parties recognize and respect the independence, sovereignty and territorial integrity of each other.

Article II

The Contracting Parties will maintain and develop peaceful and friendly relations between the People's Republic of China and the Kingdom of Nepal. They undertake to settle all disputes between them by means of peaceful negotiation.

Article III

The Contracting Parties agree to develop and further strengthen the economic and cultural ties between the two countries in a spirit of friendship and co-operation, in accordance with the principles of equality and mutual benefit and of non-interference in each other's internal affairs.

Article IV

Any difference or dispute arising out of the interpretation or application of the present Treaty shall be settled by negotiation through normal diplomatic channels.

Article V

This present Treaty is subject to ratification and the instruments of ratification will be exchanged in Peking as soon as possible.

The present Treaty will come into force immediately on the exchange of the instruments of ratification¹ and will remain in force for a period of ten years.

¹ The instruments of ratification were exchanged in Peking on November 13, 1961.

Unless either of the Contracting Parties gives to the other notice in writing to terminate the Treaty at least one year before the expiration of this period, it will remain in force without any specified time limit, subject to the right of either of the Contracting Parties to terminate it by giving to the other in writing a year's notice of its intention to do so.

Done in duplicate in Kathmandu on the twenty-eighth day of April 1960, in the Chinese, Nepali and English languages, all texts being equally authentic.

*Plenipotentiary of the
People's Republic of China*

SD/- CHOU EN-LAI

*Plenipotentiary of the
Kingdom of Nepal*

SD/- B. P. KOIRALA

(*China Today* : 5 (22) : May 5, 1960 : 4-5)

112. Joint communique issued at the end of Chou En-lai's visit to Nepal, Kathmandu, April 29, 1960

AT the invitation of Bishweshwar Prasad Koirala, Prime Minister of the Kingdom of Nepal, Chou En-lai, Premier of the State Council of the People's Republic of China, paid a friendly visit to the Kingdom of Nepal from April 26 to 29, 1960. He was accompanied by Marshal Chen Yi, Vice-Premier and Minister of Foreign Affairs; Chang Han-fu, Vice-Minister of Foreign Affairs and other high-ranking officials.

During his visit, Premier Chou En-lai called on His Royal Highness Prince Himalaya Bir Bickram Shah Deva and His Excellency B. P. Koirala, Prime Minister of the Kingdom of Nepal.

Cordial and sincere talks were held between Premier Chou En-lai and Prime Minister B. P. Koirala.

Taking part also in the talks were, on the Chinese side: Marshal Chen Yi, Vice-Premier and Minister of Foreign Affairs; and Chang Han-fu, Vice-Minister of Foreign Affairs; on the Nepalese side: Ganesh Man Singh, Minister of Works and Communications; Surya Prasad Upadhyaya, Minister of Home and Law; and Nara Pratap Thapa, Foreign Secretary of the Ministry of Foreign Affairs.

Through friendly consultations, the two parties obtained further results in developing friendly relations between the two countries; they signed the "Treaty of Peace and Friendship between the People's Republic of China and the Kingdom of Nepal" and exchanged instruments of ratification of the "Agreement Between the Government of the People's Republic of China and His Majesty's Government of Nepal on the Question of the Boundary Between the two Countries".

The Chinese Premier and the Prime Minister of the Kingdom of Nepal pointed out with satisfaction that the visit not long ago by His Excellency Prime Minister B. P. Koirala to China and the present visit by Premier Chou En-lai to the Kingdom of Nepal served to further enhance the mutual understanding and friendship between the Chinese and Nepalese peoples. The treaty and agreements signed between the two sides during their mutual

visits marked the entrance of Sino-Nepalese friendly relations into a new phase.

On the occasion of the fifth anniversary of the Asian-African Conference, the Chinese Premier and the Prime Minister of the Kingdom of Nepal noted with pleasure that the Five Principles of peaceful co-existence and the Bandung spirit were playing a more and more important role in guiding the relations among nations. The two parties agreed that continued development of these principles and spirit would have important bearing on the promotion of solidarity of Asian and African countries and the defence of peace in Asia and the world. The two parties also availed of this happy occasion to further express their conviction that in order to build up a better atmosphere for mutual co-operation in the world, all outstanding issues between nations should be settled through peaceful negotiations and all nations must refrain from such acts or threats of aggression or the use of force against territorial integrity or political independence of each other's country.

The Chinese Premier and the Prime Minister of the Kingdom of Nepal expressed deep sympathy for the struggles of the Asian, African and other peoples against colonialism and for winning and safeguarding national independence, and pledged firm support to the South African people in their just struggle against racial discrimination. The two parties welcomed the forthcoming conference of government heads of the big powers and expressed the hope that agreement will be reached speedily by countries concerned on general disarmament and prohibition of nuclear weapons, so as to promote a further relaxation of the international situation.

(*China Today* : 5 (22) : May 5, 1960 : 3)

113. Editorial in the People's Daily on "new examples in peaceful co-existence", Peking, April 30, 1960 (Excerpts)

THE recent developments in the friendly relations between China and Nepal and between China and Burma "have set new examples in the furtherance of solidarity, friendship and co-operative relations between the Asian and African countries in accordance with the Five Principles of peaceful co-existence and the Bandung spirit", says the *People's Daily*...in an editorial welcoming the signing of the Sino-Nepalese Treaty of Peace and Friendship.

The paper says that during Premier Chou En-lai's latest visit to Nepal, he had cordial and sincere talks with Nepalese Prime Minister Koirala. Through the talks, they obtained further results in developing Sino-Nepalese friendly relations—the signing of the Sino-Nepalese Treaty of Peace and Friendship and exchange of the instruments of ratification of the Agreement between the Chinese and Nepalese Governments on the question of the Boundary Between the Two Countries.

The major successes obtained by Premiers Koirala and Chou En-lai in their visits to each other's country mark a new stage in Sino-Nepalese friendly relations, the paper says. It notes with gratification that the Burmese Parliament ratified on April 28 the Sino-Burmese Treaty of Friendship and Mutual Non-Aggression and the Sino-Burmese Agreement on the Question of the Boundary Between the Two Countries.

The highly fruitful, friendly visits between the government leaders of

China and Nepal, and of China and Burma convincingly prove that there exists a deep foundation of the relations of friendly co-operation and solidarity among the Asian and African states. This is because there exists a long-standing traditional friendship between the peoples of China and Nepal, and Burma. They all hold that the Bandung spirit and the Five Principles of peaceful co-existence are the criteria for handling international relations. Moreover, opposition to imperialist aggression, defence of world peace and national construction to put an end to economic and cultural backwardness speedily are the common desire of the peoples of the Asian and African countries. To fulfil this common desire, the Asian and African countries, in spite of the difference in their social and political systems have every reason to develop friendship, mutual assistance and co-operation on the basis of mutual benefit; they have no reason at all to impair such friendship and co-operation. Facts are crystal clear that if the leaders of the Asian and African countries attach importance to the friendship and common interests of the Asian and African peoples, they can make outstanding contributions to the cause of solidarity of the Asian and African countries.

“We are happy to note that the mutual visits between the leaders of China and Burma led to the signing and ratification of the Sino-Burmese Agreement on the Question of the Boundary Between the Two Countries and the Sino-Burmese Treaty of Friendship and Mutual Non-Aggression, and that the mutual visits of the leaders of China and Nepal led to the signing of the Sino-Nepalese Agreement on the Question of the Boundary Between the Two Countries and the Sino-Nepalese Agreement on Economic Assistance and the Sino-Nepalese Treaty of Peace and Friendship. This is in full accord with the common desire and interests of the peoples of China, Burma and Nepal. It, too, fully conforms with the desire for peace and friendship and interests of the Asian and African peoples. Only the imperialists and reactionaries with ulterior motives who want to undermine the friendly relations between the Asian and African countries are displeased and hate this,” the paper points out.

The Agreements on the question of the boundary between China and Nepal and between China and Burma show that it is entirely necessary and possible to seek a reasonable solution to the complicated boundary question left over by history, the paper stresses. It points out that there exist some boundary questions between China and its southwest neighbours as a result of imperialist aggression in the past. The attitude towards the settlement of the boundary question is a test of whether or not the Five Principles of peaceful co-existence are adhered to. There can be two different attitudes. One is not for friendly consultation, the attitude of imposing unilateral, unfair and unreasonable stand on the other side and even arrogantly resorting to slander and defamation to exert pressure on the other side. This attitude obviously violates the Five Principles and cannot of course obtain a reasonable solution to the boundary question. The other attitude is for friendly consultation, the attitude of achieving a fair and reasonable solution to the boundary question acceptable to both sides in accord with the spirit of mutual understanding and mutual accommodation. This attitude conforms with the Five Principles.

The Chinese Government has consistently taken the latter attitude, the paper says. We are happy to note that the Burmese Government and the

Nepalese Government also take the same attitude. Between China and Nepal, and between China and Burma, there is no deliberate intention to exaggerate the boundary question, nor is there the intention to use this question to impair their mutual amity. The boundary between China and Nepal has never been delimited. That is why there exists between the two sides certain differences in the boundary question. This is very natural. Recognition of these differences do not impair the friendly relations between the two sides. On the contrary, only by doing so can friendly consultations be held for a reasonable solution to the boundary question on a realistic basis. It is by first recognising the fact that there exist disputes between the two sides on the boundary question and on the basis of the Five Principles of peaceful co-existence, that China and Nepal held sincere and friendly consultations and signed the agreement on the boundary question, the paper continues.

The paper writes: "The conclusion of the Sino-Nepalese and Sino-Burmese agreements on their boundary questions shows clearly that a satisfactory solution can be found to these questions, however complicated they may be, provided both parties adopt a friendly attitude and entertain the desire to have the questions settled. As Premier Chou En-lai put it in Nepal: "As long as there is firm adherence to the Five Principles and the spirit of mutual understanding and mutual accommodation which is fair to oneself and to others, a fair and reasonable settlement can be found to any question existing between us." This is applicable to the Sino-Nepalese boundary question as well as the Sino-Burmese boundary question and it should also be applicable to the boundary questions between China and other countries.

"The responsibility for the failure to reach a reasonable agreement on the Sino-Indian boundary question during Premier Chou En-lai's recent visit in India rests not with the Chinese side at all. This can be fully seen from the written statement issued by Premier Chou En-lai and his replies to questions asked by pressmen on the eve of his departure from India.

"The conclusion of the Sino-Nepalese Treaty of Peace and Friendship and the Sino-Burmese Treaty of Friendship and Mutual Non-Aggression, is a new accomplishment of the foreign policy of peace consistently pursued by the Chinese Government. It is also a new accomplishment of the policy of peace and neutrality on the part of His Majesty's Government of Nepal and the Burmese Government. These two treaties of peace provide fresh guarantee for the relations of friendship and co-operation between China and Nepal and between China and Burma."

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The further development of China's friendly and co-operative relations with Nepal and Burma gladdens the hearts of all who cherish peace, especially the peoples of Asia and Africa, but is hated by the imperialists and the reactionaries, the paper says. "Of late, the imperialists and the reactionaries in some countries have shouted themselves hoarse in slandering China with the lies of Chinese 'aggression' and 'expansion' with a view to estranging China and Nepal and other neighbours in their friendship. These lies and slanders, however, can deceive nobody. Just public opinion in many Asian countries has repudiated the imperialists who try to sow discord."

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114. Interview granted by Mr. B. P. Koirala to Mr. Wilson, the correspondent of the Far Eastern Economic Review (Hongkong), Kathmandu, May 26, 1960 (Excerpts)

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Wilson: The recent worsening of relations between India and China has brought Nepal's foreign policy very much into the limelight. Would you sum up your Government's attitude towards these two large neighbours?

Koirala: Nepal looks upon both India and China as her great friends, and her policy has always been directed towards promoting and strengthening her friendship with both. Nepal pursues a policy of neutrality *vis-a-vis* the controversies between the two power *blocs* and does not align herself with either of them. This policy of neutrality, however, does not mean that we keep a neutral attitude and remain silent on all matters. Our policy is to express our view independently on every issue as the merit of the case demands. Active friendship and not passive neutrality is the keynote of our policy towards India and China.

Wilson: During Mr. Chou En-lai's recent visit to Kathmandu he remarked at a reception given by the Nepalese Chamber of Commerce in Lhasa that although high mountains lay between Nepal and the Tibet region of China, he hoped that "there were yet possibilities to establish direct traffic contact". This was taken to mean a road link, and at a subsequent press conference you seemed to give a cool reception to this proposal on economic grounds. Could you explain this?

Koirala: I have on various occasions explained that road building projects are undertaken with reference to the economic benefit that each project may produce. We have not yet received any proposal from China to build a road from Nepal to Tibet. Such a project will be initiated when our trade with Tibet grows to such an extent as would justify a road. The question of reacting coolly to the Chinese proposal does not arise in this context.

Wilson: Finally, Mr. Koirala, the world's headlines have been concerned recently with the Everest question and your northern borders. Could you sum up for us the present position of the Chinese frontier question?

Koirala: During my recent visit to China I have had discussions with the Chinese Premier about our northern border, and both of us were agreed that the existing traditional customary boundary will be respected by both sides as in the past. In order to give a scientific shape to our peaceful border with China, an agreement was signed during my visit to Peking and it was ratified in Kathmandu during the Chinese Premier's visit to Nepal.

This Agreement provides for the formation of a Boundary Commission consisting of members of our two Governments which will scientifically delimit and formally demarcate the existing traditional customary boundary between Nepal and China. Such scientific demarcation of our boundary in the north will further strengthen the cordial relations between our two countries.

115. Speeches of Mr. Liu Shao-chi and King Mahendra at a banquet, Peking, September 29, 1961 (Excerpts)

Liu Shao-chi's speech:

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His Majesty King Mahendra is an outstanding statesman of Nepal, and also an esteemed friend of the Chinese people. As a sincere patriot, he has all along fought in defence of the national independence and state sovereignty of Nepal. In the face of foreign aggression and pressure, the heroic Nepalese people have remained firm and unyielding and always maintained their independence and dignity; this calls for great admiration. Under His Majesty's leadership, the Nepalese people are now overcoming various resistance to take a road of independent development. His Majesty's Government of Nepal is determined to raise the level of Nepal to that of developed countries in a comparatively short historical period. This bespeaks the noble ambition and high aim of the Nepalese people. Nepal is a country with fertile land, rich natural resources and an industrious and courageous people. We are sure that the Nepalese people will be able to realise their lofty aspiration. In international affairs, His Majesty's Government of Nepal has persevered in an independent policy of peace and neutrality, and devoted itself to the cause of promoting Asian-African solidarity and safeguarding world peace. At the recent conference of the heads of non-aligned countries, Nepal made contributions together with many other participants, thus enabling the conference to achieve positive results. We have always held that each country, whether big or small, can play a useful role in international affairs provided it adopts a correct policy and a just stand. This is borne out by the very fact that the international status of the Kingdom of Nepal has been rising in recent years.

China and Nepal are contiguous to each other and have all along lived together amicably. Since the establishment of formal diplomatic relations between our two countries, the traditional friendship between us has undergone a great development on the basis of the Five Principles of Peaceful Co-existence and the Ten Principles of the Bandung Conference, thus setting a good example of peaceful co-existence between nations with different social systems. This is inseparably linked with His Majesty King Mahendra's solicitous concern and positive efforts for the development of Sino-Nepalese friendly relations. Under His Majesty's leadership, the Kingdom of Nepal has all along been most friendly towards China. His Majesty's Government of Nepal recognises a single China, that is, the People's Republic of China which represents the 650 million Chinese people; it has always stood for the restoration to the People's Republic of China of its legitimate rights in the United Nations. When the handful of reactionaries in China's Tibet staged their rebellion, Nepal firmly adhered to a correct stand of non-interference in China's internal affairs. The Chinese Government is sincerely grateful for this. Now, the Western powers headed by the United States of America are continuing to obstruct the restoration to the People's Republic of China of its legitimate rights in the United Nations and coercing the United Nations into discussing unlawfully the so-called "Tibet question", crudely interfering in China's internal affairs. This is what the Chinese people cannot tolerate. We hope that all those countries which wish to maintain friendly relations with China will take a just stand.

Both China and Nepal are peace-loving countries. Both our countries are striving to build themselves and lift themselves from poverty and backwardness. Both of us need peace and need friends; and peace and friendship have linked our two countries. China has always striven for the realization of peaceful co-existence with countries of different social systems on the basis of the Five Principles. We firmly maintain that all countries, big and small, should treat each other equally and respect and help each other; that any foreign infringement on the sovereignty and territorial integrity of any country and any foreign interference in its internal affairs are absolutely impermissible; and that no political strings should be attached to mutual economic aid. The Chinese Government has unswervingly and faithfully abided by these principles. This stand of ours is firm and unshakable, and can stand the test of time and practice. China's socialist system determines that it cannot, should not and need not commit aggression against any country. We wish to develop our own country, likewise we wish other countries to develop themselves. We wish to attain a life of well-being, and we wish the same to others. We believe that any country, no matter how powerful it may seem, will eventually meet with defeat, if it pursues policies of aggression, intervention and expansion; whereas countries subjected to aggression and oppression will triumph in the end. The Chinese Government and people will work in close co-operation with His Majesty's Government of Nepal and the Nepalese people in opposing colonialism, strengthening Asian-African solidarity and safeguarding world peace.

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(*China Today* : 6 (41): October 7, 1961 : 13-14)

King Mahendra's speech:

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The relations between our two countries are very ancient. We hope and believe that, with new China piloted by her seasoned leaders, the ties of friendship between our two peoples will grow stronger from day to day that there will be no chance for any unfriendly behaviour calculated to spoil our good relations. In the present-day world, international amity cannot be maintained on the basis of the strength of arms and the pride of power alone. Friendliness, goodwill, non-aggression, sovereign independence, identity of moral values, non-interference in internal affairs, peace and other allied attitudes are the needs of the day. Conformity between profession and practice is called for.

Nepal aims at the maintenance and cementation of relations with all countries on the basis of peace, friendship and equality. She would heartily welcome the co-operation of neighbouring big countries in this task. She does not want that there should be any bitterness or misunderstanding between countries. It is also a matter of common knowledge that Nepal has made her best possible contribution to the cause of world peace. We have no intention of following any particular country or power bloc. It is our conviction that a small nation can make contributions in world affairs only by adopting such a policy.

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(*King Mahendra ; Pages of history : Series I : 83-85*)

116. Speech of King Mahendra at a mass rally to welcome the King and Queen of Nepal and to celebrate the signing of the Boundary Treaty, Peking, October 5, 1961 (Excerpts)

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WE have been deeply impressed by the zeal and enthusiasm with which the National Day has been observed throughout China. Twelve years ago in your country the victory of the revolution under the leadership of Chairman Mao of the forces that stand for progress and economic regeneration of the entire people of China was complete. During this relatively short period of twelve years after that glorious victory of revolution, China has achieved quite a lot in the economic field. As a result of this China has grown in strength and power.

The determination and singleness of purpose with which you are taking up the Herculean task of raising the living standard of more than 600 million people against heavy odds has been a source of inspiration to many people in many lands. Therefore, we have been watching with the greatest interest the peaceful achievements of New China which you are working hard to build up.

Ten years ago in Nepal, too, a great revolution took place. Though our revolution envisages a social and political system different from yours, it has the same economic objectives, namely, rapid economic development of the country through industrialisation. Besides, we want to live in a peaceful world. We want to live in peace with our neighbours. We believe that a world of peace and prosperity will be possible only when the Five Principles of peaceful co-existence, the principle of absolute non-interference in the internal affairs of other countries, is scrupulously observed among nations. Therefore during the last ten years we have invariably worked in this spirit and we expect others to work in the same spirit too.

The People's Republic of China has extended a friendly helping hand in our programmes of economic development at a time of great stress and strain in your own economy. And we appreciate this very much. We are grateful for this and we further hope that in spite of our different social and political systems this kind of friendly relations will continue to be developed extensively in many spheres and fields. We are also grateful to you for the opportunities you have extended to our students for studying in your institutions of learning.

In the course of the past few days we have had the pleasure and the opportunity to meet your great leaders, Chairman Mao Tse-tung, Chairman Liu Shao-chi, Premier Chou En-lai and other leaders, and we have been much impressed by their wisdom and statesmanship. I take the liberty of recalling a part of the conversation we had with Chairman Liu Shao-chi in which he frankly stated that like all big powers the People's Republic of China might have the tendency to ignore the just and rightful claims and respect the rights and susceptibilities of small neighbours and nations, that China in the past oppressed other peoples and had in turn been severely oppressed by others and that the present government led by the Communist Party of China have learnt the lesson of history very well and will never take the road of aggression and invasion against the territorial sovereignty and political independence of its neighbours and for that matter any other countries, that China will

take meticulous care to avoid the repetition of such blunders. We have taken note of this assurance made by Chairman Liu Shao-chi and we deeply appreciate the sentiments which led to the expression of this statement. And it is at the same time a significant message to the world at large. This shows the wisdom and statesman-like spirit of your leaders.

Perhaps you are aware of the fact that we have been all along advocating the necessity and prime importance of having the just and rightful representation of more than 600 million people of China in the United Nations. We do not believe in the theory of two Chinas and we have made this point sufficiently clear on all appropriate occasions and places.

For nearly a year the Joint Boundary Commission has been working in a spirit of mutual co-operation, sympathy and accommodation and have held meetings in the capitals of the two countries in a very cordial atmosphere. We are glad to tell you that with the conclusion of the Boundary Treaty signed this afternoon between our two countries, the work of this Commission is now almost over. According to the Treaty of the Boundary which has been signed, the entire boundary line between the two countries has been formally delimited on the basis of the traditional, customary boundary in accordance with the principles of equality, mutual benefits, friendship and mutual accommodation. All outstanding problems regarding the boundary between the two countries have been solved to the satisfaction of both the parties. This is a cause for happiness for our two nations.

The conclusion of the Treaty is another milestone in our growing friendly relations. Throughout our negotiations with the great friendly neighbouring country of China, we have been guided by the principles of peace and friendship and respect for each other's rights, territorial integrity and sovereignty, and political independence. We are happy to tell you that your leaders have fully responded and reciprocated our feelings.

(King Mahendra : Pages of history : Series I : 86-90)

117. Joint communique issued at the end of King Mahendra's visit to China, Peking, October 15, 1961

AT the friendly invitation of Liu Shao-chi, Chairman of the People's Republic of China, and Chou En-lai, Premier of the State Council, His Majesty King Mahendra Bir Bikram Shah Deva accompanied by Her Majesty Queen Ratna Rajya Lakshmi Devi paid a state visit to the People's Republic of China from September 28 to October 15, 1961.

Accompanying Their Majesties were Her Royal Highness Princess Shanti Rajya Lakshmi Shah; Dr. Tulsi Giri, Minister for Foreign Affairs, Home, Transport, Works and Communications; Mrs. K. Giri; Kaisher Bahadur K.C., Ambassador Extraordinary and Plenipotentiary; Field Marshal Kaiser Shums-Here Jung Bahadur Rana; Brigadier General Sher Bahadur Malla, Military Secretary to His Majesty; Kazi Pushpa Raj Rajbhandary, Principal Personal Secretary to His Majesty; Mr. Y. N. Khanal, Foreign Secretary to His Majesty's Government of Nepal; Major General Padma Bahadur Khatri, Defence Secretary to His Majesty's Government of Nepal and

Nepalese chief delegate of the Joint Boundary Committee and other officials of Nepal.

During the visit, His Majesty and Mao Tse-tung, Chairman of the Central Committee of the Communist Party of China, had a cordial and friendly exchange of views between them.

In the course of the visit Their Majesties saw many places of interest, both modern and ancient, in Canton, Peking, Sian, Sanmen Gorge, Loyang, Wuhan, Nanking, Hangchow and Shanghai. In Peking Their Majesties took part in the celebrations of the 12th anniversary of the founding of the People's Republic of China and conveyed to the Chinese people the best wishes and fraternal sentiments of the Nepalese people. Their Majesties were much impressed by the achievements of peaceful construction made by the People's Republic of China in the fields of industry, agriculture, science and culture.

Chairman Liu Shao-chi and Premier Chou En-lai on the one hand, and His Majesty on the other, made a frank and friendly exchange of views on matters of common interest.

They agreed that to maintain international peace was the urgent demand of the peoples throughout the world, and for this, it was necessary to end colonialism, to oppose wars of aggression and to have mutual respect among nations for each other's sovereignty and non-interference in each other's internal affairs. The two parties reaffirmed their faith in the five principles of peaceful co-existence and the ten principles of the Bandung Conference. The Nepalese side stated that it supported the legitimate rights of the People's Republic of China in the United Nations. The Chinese side reaffirmed that it fully respected and supported the independent policy of peace and non-alignment pursued by His Majesty's Government of Nepal and solemnly declared that all nations, big and small, must treat each other as equals and that China would never adopt an attitude of great nation chauvinism towards Nepal.

The two parties expressed their satisfaction at the way in which the friendly relations existing between the two countries were being strengthened and consolidated. They agreed that personal contacts between the leaders of the two countries help to further strengthen the bonds of friendship between the two peoples.

During the visit, Chairman Liu Shao-chi and His Majesty King Mahendra signed the Boundary Treaty between the People's Republic of China and the Kingdom of Nepal on October 4[5], 1961. According to the Boundary Treaty which has been signed the entire boundary line between the two countries has been formally delimited on the basis of the traditional customary boundary in accordance with the principles of equality, mutual benefit, friendship and mutual accommodation. All outstanding problems regarding the boundary between the two countries have been solved to the satisfaction of both the parties.

Premier Chou En-lai and King Mahendra held preliminary talks with a view to exploring the possibilities of further economic co-operation between the two countries. They have agreed to the extension of economic co-operation, particularly in industries, road-building and communications.

His Majesty has extended an invitation to Chairman Liu Shao-chi and Premier Chou En-lai to visit Nepal at any time convenient to them and they have accepted the invitation with pleasure.

(*Survey of China Mainland Press* : 2603 : October 23, 1961 : 43-44)

118. Speech of Mr. Chen Yi at a Nepalese Embassy reception to mark the first anniversary of the signing of the Boundary Treaty, Peking, October 6, 1962 (Excerpts)

“THE boundary question between China and Nepal was a complicated question left over by history. There were people who tried to make use of the boundary disputes to achieve their ulterior aims. They expressed the hope and asserted that China and Nepal could not settle the question”.

“The Chinese Government has always held that the five principles of peaceful co-existence should be adopted as the common principles in handling relations between nations”.

“It is our consistent belief that any question between nations, however big and complicated, can be settled equitably and reasonably through friendly consultations on the basis of equality and mutual benefit, provided the two parties concerned have the sincerity”.

“The Sino-Burmese Boundary Treaty is a good example and the Sino-Nepalese Boundary Treaty is another”.

Speaking on the Sino-Indian boundary question, Vice-Premier Chen Yi protested against the slander by British Foreign Secretary in his recent speech at the U.N. General Assembly accusing China of “invasion” of India. “This exactly proves that the Indian reactionaries and the British imperialists are jackals of the same lair”, he pointed out.

Vice-Premier Chen Yi praised His Majesty King Mahendra of Nepal as an outstanding statesman and the Nepalese people a brave and unbending people. He added that the Chinese Government and people sincerely admired and energetically supported the unremitting struggles waged by King Mahendra and His Majesty’s Government in adhering to the policy of independence, peace and neutrality and in leading the Nepalese people to safeguard their state sovereignty and independence and develop their national economy, as well as their great successes.

He added, “The Chinese Government and people have always held that all countries, big and small, should treat each other equally and respect each other. China is firmly opposed to great-nation chauvinism and to interference in other countries’ internal affairs”.

“We are now in the sixties of the 20th century, in an era in which the national independence movement is surging forward; all manifestations of great-nation chauvinism and all activities of interference and subversion against other countries go against the current of the times and will surely end in failure,” Vice-Premier Chen Yi said.

(*Survey of China Mainland Press* : 2836 : October 10, 1962 : 32-33)

119. Speeches of Mr. Chen Yi and Mr. Rishikesh Shaha at a banquet, Peking, November 23, 1962 (Excerpts)*Chen Yi's speech:*

"WE are particularly glad and proud that through friendly discussions we have satisfactorily resolved our boundary question, which is a legacy of the past."

A Sino-Nepalese boundary of friendship and ever-lasting peace came into being following the Sino-Burmese boundary of friendship and ever-lasting peace.

"The friendly and good neighbourly relations between China and Nepal", he continued "have set a new model for peaceful co-existence between countries with different social systems and for solidarity and co-operation between Asian and African countries."

The Vice Premier expressed confidence that "with the passage of time, Sino-Nepalese friendship will show ever greater vitality."

China had always supported the policy of independence, peace and neutrality persevered in by the Nepalese Government, Chen Yi said. The Chinese people entertained a profound respect for the unremitting struggle of the Nepalese people to safeguarding their sovereignty and develop their national economy. "The Nepalese people can always count on the resolute support of the 650,000,000 Chinese people," he said.

Chen Yi recalled that the Nepalese Government had always stood for the restoration of China's legitimate rights in the United Nations, and opposed the plot to create "two Chinas". He added when a handful of reactionaries in China's Tibet region launched a rebellion in 1959, Nepal persevered in its correct stand of non-interference in China's internal affairs. "All this constitutes important support for China," he said. He thanked Rishikesh Shaha for the valuable efforts he had made in this regard as representative of His Majesty's Government at the United Nations.

Vice Premier Chen Yi thanked King Mahendra and many other Asian and African leaders for the efforts they made in promoting a peaceful settlement of the Sino-Indian boundary question.

Rishikesh Shaha's speech:

Rishikesh Shaha, in his speech, hailed the profound friendship between Nepal and China. "The Chinese Government has rendered us most generous assistance in building a road that would connect Kathmandu and Lhasa eventually. This road as far as we are concerned has a good deal of significance," he said.

"Now this road has been misunderstood", he went on, "by some people. But as far as we are concerned it is nothing but a revival of an ancient trade road which should be taken just as a recognition of the growing desire of the Nepalese people for greater contact with a country beyond the Himalayas, and nothing more and nothing less."

Rishikesh Shaha thanked the Chinese Government for helping Nepal to set up a cement factory, a paper mill and a leather factory. "I am sure that very soon these factories will start functioning and will start giving the people

of Nepal an idea of the benefit of their friendship with the great neighbour—China in concrete terms,” he said.

Referring to the fighting on the Sino-Indian border, Rishikesh Shaha welcomed the initiative shown by the Chinese Government in ordering a cease-fire unilaterally and in deciding to withdraw its troops to positions 20 kilometres behind the line of actual control which existed between China and India on November 7, 1959.

Rishikesh Shaha said, “I hope that this gesture of peace, friendship and goodwill of the Chinese Government will be reciprocated in a fitting manner.”

“We have viewed with great concern the deterioration of the border dispute between our two great neighbours—China and India. We have always hoped that they should settle this question of the boundary between themselves without resorting to force and through negotiations in the spirit of mutual understanding.”

“The deterioration in the relations between India and China has come as a shock to all countries in this region that have over these years begun to acquire freedom in the course of securing unity and solidarity,” he said. “Neither India nor China will win if Asia loses.”

Rishikesh Shaha stated: “We have nothing but friendship and goodwill towards our two great neighbours—China and India. We have never thought to play one neighbour against the other, because we know full well the danger involved in this kind of policy. On the other hand, we have always thought to contribute in our own humble way to the growth of mutual understanding and cordiality between our two great neighbours.”

(Survey of China Mainland Press : 2868 : November 28, 1962 : 37-38)

120. Speech of Mr. Chen Yi at a banquet, Kathmandu, March 30, 1965 (Excerpts)

“WE have always been happy to have a good neighbour in Nepal. The Nepalese people are very industrious and courageous. They have never bowed their heads before foreign oppressors and interventionists. His Majesty King Mahendra is an outstanding statesman. He is filled with lofty aspirations to bring prosperity to his country and the determination to safeguard independence and sovereignty.”

He praised Nepal for its achievements in economic and cultural construction. He said, “We know full well that every achievement of yours is gained through struggle. We highly admire your spirit of seeking constant progress by your own efforts.”

Chen Yi added, “In the last few years, there has been a great development in the relations of friendship and co-operation between our two countries. We settled through friendly consultation our boundary question which is a legacy of the past. We signed the Treaty of Peace and Friendship. Their Majesties King Mahendra and the Queen paid a friendly visit to China and left a very good impression upon the Chinese people. We also had the honour of receiving His Excellency Chairman Surya Bahadur Thapa and other

leading members of the Nepalese Government. The Chinese people in turn sent a good number of emissaries of friendship for visits in Nepal. Our co-operation in economic and cultural fields has been very close and fruitful. Here I would like to mention in particular that conquering the enormous natural barriers of the Himalayas in a dauntless spirit and working in close co-operation, our two governments and peoples have succeeded in preliminarily opening to traffic a highway connecting our two countries. It can be said without exaggeration that in the interest of our friendship both countries have done a lot of things which are of historic significance. The best evidence can be found in the existence of a peaceful boundary, a highway of friendship and a treaty of peace and friendship."

Referring to China's economic aid to Nepal, the Vice Premier expressed his gratitude to Vice Chairman Bista for his high appraisal of China's economic aid. He said, "In our view, aid is always something mutual. China helps Nepal, and Nepal in turn helps China. In the international affairs, Nepal upholds justice, firmly stands for the restoration of China's legitimate rights in the United Nations, and opposes the scheme of 'two Chinas'. Nepal firmly maintains her friendship toward China; she informs the world of the truth about China and opposes distortions and slanders against China. This constitutes a great support to us."

Chen Yi said, "It is by no means accidental that the friendly relations between China and Nepal have developed so smoothly. Both of us are new emerging states. Moreover, we are close neighbours. We both adhere to the five principles of peaceful co-existence and oppose imperialism and big-nation chauvinism. Consequently, we find it easy to share each other's feelings and acquire a common language. We support each other in times of difficulty and help each other in national construction. We always respect each other and treat each other as equals; at no time does any of us impose his will on the other or regard himself as superior to the other. Such friendship as existing between our two peoples can stand the test of time."

Concluding his speech, Chen Yi expressed the hope that his visit could be able to make a new contribution to friendship between China and Nepal.

(Survey of China Mainland Press : 3431 : August 5, 1965: 40-41)

121. Joint press communique issued at the end of Mr. Chen Yi's visit to Nepal, Kathmandu, April 3, 1965

AT the invitation of Mr. Kirti Nidhi Bista, Vice Chairman of the Council of Ministers and Minister of Foreign Affairs of Nepal, His Excellency Marshal Ch'en I, Vice Premier of the State Council and Minister of Foreign Affairs of the People's Republic of China, paid a friendly visit to Nepal from March 30 to April 3, 1965. Accompanying Marshal Ch'en I were Mr. Han Nien-lung, Vice Minister of Foreign Affairs, Mr. Chang Tung, Director of the First Asian Department of the Foreign Ministry, and other officials.

During his stay, the Chinese Vice Premier visited places of historical interest in the Kathmandu valley as well as projects of economic co-operation between China and Nepal and the Kathmandu-Kodari Highway.

His Excellency Marshal Ch'en I and members of his party were received in audience by Their Majesties the King and the Queen. Marshal Ch'en I had cordial and friendly talks with His Majesty.

His Excellency Marshal Ch'en I had talks with the Chairman and the Vice Chairman of the Council of Ministers on the further development of the friendly relations between the two countries and on questions of mutual interest.

The talks were held in an atmosphere of friendship and cordiality. Both parties reaffirmed their faith in the five principles of peaceful co-existence which govern the relations happily existing between the two countries and expressed satisfaction that the friendly relations between the two countries had continuously developed and strengthened since the establishment of their diplomatic relations.

Both parties expressed satisfaction at the smooth progress of the projects of economic co-operation between the two countries. His Majesty's Government of Nepal expressed gratitude to the Government of the People's Republic of China for its economic aid. The two parties also studied the question of further strengthening the economic co-operation between the two countries. Both parties agreed that the current unallocated balance of the Chinese assistance will be utilized for the development of transport in Nepal. Marshal Ch'en I indicated that the Chinese Government would provide additional economic and technical assistance to the best of its ability for Nepal's Second Five-Year Plan. Both parties have agreed that Chinese expert teams to arrive in Kathmandu in the near future would study and survey the possibilities of such assistance. Marshal Ch'en I showed interest in the various reform projects of His Majesty's Government and expressed the hope that these reforms would help promote the economic development of Nepal and raise the living standards of the Nepalese people.

The two parties exchanged views on the current international situation. They showed the gravest concern over the recent happenings in Vietnam. They reaffirmed their respect for the unity, integrity and sovereignty of Vietnam and the inviolable right of the Vietnamese people to settle their own problems and chart their own future in accordance with their own will and aspirations and without foreign interference. The two parties also discussed the progress made toward the preparations of the 2nd Afro-Asian Conference and expressed belief that the ensuing 10th anniversary of the Bandung Conference in Djakarta and the 2nd Afro-Asian Conference in Algiers will make an enormous contribution to the final elimination of colonialism and imperialism, to the consolidation of Asian-African solidarity and unity as well as to the preservation of world peace and security.

Marshal Ch'en I was very grateful to His Majesty's Government of Nepal and the Nepalese people for their warm reception. Marshal Ch'en I renewed the Chinese Government's invitation to the Vice Chairman of the Council of Ministers and Minister of Foreign Affairs of Nepal to pay visit to the People's Republic of China at a time suitable to him. The Vice Chairman accepted the invitation with pleasure.

122. Joint press communique issued at the end of Mr. Kirti Nidhi Bista's visit to China, Peking, September 8, 1965

At the invitation of the Vice Premier of the State Council and Minister of Foreign Affairs of the People's Republic of China and Madame Ch'en I, His Excellency Rt. Hon. Kirti Nidhi Bista, Vice Chairman of the Council of Ministers and Minister for Foreign Affairs, Agriculture, Food and Land Reform of Nepal, and Madame Bista paid a friendly visit to the People's Republic of China from August 25 to September 8, 1965. Accompanying the Vice Chairman were Mr. Bhekh Bahadur Thapa, Secretary, Ministry of Economic Planning, and an official of the Ministry of Foreign Affairs of His Majesty's Government. They were accorded a warm welcome and friendly reception by the Chinese Government and people.

His excellency Mr. Bista, Madame Bista and Members of his party were received by Mao Tse-tung, Chairman of the Communist Party of China, Liu Shao-chi, Chairman of the People's Republic of China, and Chou En-lai, Premier of the State Council, and had friendly and cordial talks.

During his stay in China His Excellency Rt. Hon. Mr. Kirti Nidhi Bista visited various places of historical and cultural interest as well as factories, schools and people's communes in Peking, Shanghai, Hangchow and Canton. The Vice Chairman expressed his great appreciation of the progress he witnessed in the People's Republic of China under the leadership of Chairman Mao Tse-tung.

Vice Premier Ch'en I and Vice Chairman Bista held talks about the further development of friendly relations and matters of mutual interest. The two parties were satisfied that the relations of friendship and co-operation which were based on the five principles of peaceful co-existence and the ten principles of Bandung declaration have been greatly strengthened by the exchange of visits of the leaders and various delegations of both countries and by the mutual support and co-operation between the two countries in the common cause of upholding Afro-Asian solidarity and world peace.

The two parties reviewed matters related to economic co-operation between the two countries and expressed satisfaction at the progress being made since their last meeting during the visit of Vice Premier Ch'en I in Nepal. The two parties exchanged views on the further strengthening of the economic and technical co-operation between the two countries. The Chinese Government agreed to help Nepal in building new highways¹ and a corresponding protocol was signed by the two parties. The Chinese Government also expressed its readiness to provide new items of aid for the new 5-year plan designed to expedite the pace of development of Nepal under the leadership of His Majesty the King. It was agreed that an economic investigation group from China would be sent to Nepal as soon as possible to examine the possibilities of helping Nepal to build hydro-electric station as well as other projects. His Excellency Mr. Kirti Nidhi Bista expressed gratitude for the various forms of economic assistance given so far by China to His Majesty's Government in the implementation of the latter's development plans.

The Vice Premier and the Vice Chairman had a free and frank exchange of views on various international issues. They showed their concern over the

¹ A 220-Km road from Kathmandu to Pokhara costing \$ 45 million as a gift from China.

increasingly serious situation in Vietnam. They reaffirmed their respect for the unity, integrity and sovereignty of Vietnam and the inalienable right of the Vietnamese people to settle their own problem and chart their own future in accordance with their own will and aspirations and without foreign interference.

The Vice Premier and the Vice Chairman, among other things, also discussed the 2nd Afro-Asian Conference to be held in Algiers on November 5 and agreed that the success of the conference would make positive contributions to the cause of world peace, to the consolidation of Afro-Asian solidarity and to the elimination of imperialism and colonialism.

His Excellency Mr. Kirti Nidhi Bista was very grateful to His Excellency Vice Premier Ch'en I, the Government of the People's Republic of China and the Chinese people for the warm hospitality given to him and the members of his party.

(Survey of China Mainland Press : 3536 : September 14, 1965 : 39-40)

B. Representation of China in the United Nations Organization

123. Speech of Mr. Rishikesh Shaha in the U.N. General Assembly, New York, September 21, 1959

ONCE again the General Assembly is confronted with the probability of the rejection of the request of the delegation of India for the inclusion of the item entitled "Question of the representation of China in the United Nations". Paragraphs 7 and 8 of the first report of the General Committee (A/4214) show that the General Committee has recommended the rejection of the Indian request and postponement of the consideration of this question indefinitely.

The amendments which my delegation has the honour to propose (A/L.261) relate to the draft resolution contained in paragraph 7 of the General Committee's report. Before I express my views on the Committee's recommendation that the request to include the item entitled "Question of the representation of China in the United Nations" be rejected, I should like to point out that paragraph 2 of the draft resolution is not in conformity with the rules of procedure of the General Assembly. In this connexion, I have rule 40 of our rules of procedure specifically in mind. In the opinion of my delegation, paragraph 2 of the draft resolution clearly goes beyond the mandate given the General Committee by the said rule. For this reason we have asked for the deletion of that paragraph of the draft resolution in our second amendment. Paragraph 1 of the draft resolution demands rejection of the request of the Government of India for the inscription of the item entitled "Question of the representation of China in the United Nations." Our first amendment asks for the replacement of the word "reject" by the words "accede to".

May I say that the request of the Government of India is merely with regard to the inclusion of an item. This request does not even raise the question of the seating or unseating of a particular set of representatives. The question is merely whether the Assembly can take up the discussion of an item as such. My delegation is fully aware of the fact that the issue before us is one on which Member States hold conflicting views. In view of the importance of this issue my delegation deems it its duty to make the situation as clear as possible to the Assembly.

I crave the indulgence of the Assembly to refer briefly to the history of this item in the United Nations. It is well known that the Central People's Government of the People's Republic of China was proclaimed on 1 October 1949. In communications dated 18 November 1949, addressed to the President of the fourth session of the General Assembly, as well as to the Secretary-General of the United Nations, the then Foreign Minister of China,

Mr. Chou En-lai, demanded that the credentials of the so-called Nationalist China be not recognized by the United Nations as it no longer had the right to speak for and represent the Chinese people. No action, however, was taken on this request. Subsequently, a draft resolution demanding the recognition of the People's Government of the Republic of China was rejected by the Security Council in January 1950. Later in the same year, Mr. Trygve Lie, the then Secretary-General, put out a well-thought-out memorandum on the legal aspects raised by the question of representation in the United Nations, with a view to solving this question. His memorandum of 9 March 1950¹ laid down that "the principle of numerical preponderance of recognition is inappropriate and legally incorrect". The memorandum further stated that:

"From the standpoint of legal theory, the linkage of representation in an international organization and recognition of a government is a confusion of two institutions which have superficial similarities but are essentially different".

and added:

"It is submitted that the proper principle can be derived by analogy from Article 4 of the Charter". Article 4 of the Charter stipulates that an applicant for membership must be able and willing to carry out the obligations of membership.

Secretary-General Trygve Lie's memorandum clearly implies that the obligation of membership can be carried out only by Governments which in fact possess the power to do so. I quote further from this same memorandum:

"Where a revolutionary government presents itself as representing a State, in rivalry to an existing government, the question at issue should be which of these two governments in fact is in a position to employ the resources and direct the people of the State in fulfilment of the obligations of membership. In essence, this means an inquiry as to whether the new government exercises effective authority within the territory of the State and is habitually obeyed by the bulk of the population."

"If so, it would seem to be appropriate for the United Nations organs, through their collective action, to accord it the right to represent the State in the Organization, even though individual Members of the Organization refuse, and may continue to refuse, to accord it recognition as the lawful government for reasons which are valid under their national policies".

I apologize to the President and to the Assembly for taxing your patience with this rather long quotation from the memorandum, but I have done so only because I honestly believe that this memorandum prepared by the then Secretary-General of this Organization is of special interest and deserves particular attention from this august body. It was really unfortunate that the initiative shown by Mr. Trygve Lie was not pursued any further.

Another landmark in the long history of this question of the representation of China in the United Nations appeared during the fifth session of the General Assembly in 1950, which had on its agenda the general question of

¹ Official Records of the Security Council, Fifth Year, Supplement for 1 January through 31 May 1950. Document S/1466.

recognition by the United Nations of a Member State. The deliberations of the Assembly on this item led to the adoption of resolution 396(V). This resolution is very relevant to our purpose because, to the best of my knowledge, it is the only United Nations resolution of the kind which sets out in clear terms directives regarding the proper procedure to deal with a situation where we have two rival parties claiming the same seat. The preamble of the resolution deals with the difficulties that "may arise regarding the representation of a Member State in the United Nations", and also suggests that by virtue of its character and composition the General Assembly is the only organ of the United Nations suited to deal with matters such as those that affect the very function of the United Nations. I should like to draw the attention of the Assembly to the two main operative paragraphs of this resolution which contain the specific recommendations. Operative paragraph 1 recommends that:

"...whenever more than one authority claims to be the Government entitled to represent a Member State in the United Nations...the question should be considered in the light of the Purposes and Principles of the Charter and the circumstances of each case".

Operative paragraph 2 states:

"...when any such question arises, it should be considered by the General Assembly, or by the Interim Committee if the General Assembly is not in session".

Operative paragraph 2 of the resolution is explicit on the point that the issue should be considered by the General Assembly. May I humbly plead that the request for the inscription of the item of Chinese representation is in conformity with the decision taken by the General Assembly in 1950, and I would even venture to say that if the Assembly rejects the request for the inscription of this item it will be going back on its own earlier decision.

Those who have over the years consistently opposed the inclusion of this Indian item have always sought to shelter behind operative paragraph 1 of resolution 396(V), according to which the question should be examined in the light of the Purposes and Principles of the Charter. Let us see what the Charter stipulates. According to Article 4, paragraph 1, of the Charter:

"Membership in the United Nations is open to all peace-loving States which accept the obligations contained in the present Charter and, in the judgement of the Organization, are able and willing to carry out these obligations".

I do not wish to enter into the merits of this question at this stage except to the extent I think it necessary to justify the inscription of this item on the agenda. Let us be clear in our minds. This is not the question of the admission of a new Member State. China is a founding Member of the United Nations and a permanent member of the Security Council, having the primary responsibility for the maintenance of international peace and security. The Charter clearly states in Article 3 that the Members of the United Nations shall be States, thereby making it quite obvious that membership in the United Nations has nothing to do with any particular Government which might have been in authority at any particular time. My contention is that only a Government that has effective control in the territory of a State can represent it in the world body. From all evidence it has become clear that the Central

People's Government of the People's Republic of China is the only Government whose sway extends over the entire Chinese mainland.

The other argument against the inclusion of the item of the representation of China is sometimes based on the words "peace-loving States" in Article 4 of the Charter. It has often been argued that the Government of the People's Republic of China is not peace-loving and hence should be disqualified from membership in the United Nations. We firmly hold the view that the internal form and structure of government and its policies are not relevant to the purpose of the representation of a particular State in the United Nations. Have not so many aggressor nations of yesterday already become the respected Members of the United Nations? Are there not among Member States, some whose internal systems of government show, in effect, scant regard for fundamental human rights and the dignity of the individual? The view that the Government that exercises effective government within the territory of the State should not be excluded from this Organization is shared by many other Members of this Organization. The representation of the People's Republic of China in the United Nations will not only carry it a big step forward towards its goal of universality but will enable the United Nations to deal more effectively with so many international problems that seem to threaten the peace of the world. In our opinion, the more the United Nations reflects the real situation in the world outside, the more effective it becomes as an instrument for conciliating and resolving differences between nations.

Of the eighty-two Member States of the United Nations, as many as thirty-three recognize the Government of the People's Republic of China, and many more have started trade and cultural relations with that country. I mention this only to show how the prestige of this Organization will be undermined if year after year moratorium resolutions are passed here merely with a view to avoiding a discussion of this question. I have already stated that a large number of the countries of the world have already recognized the Government of the People's Republic of China. It is heartening to find that, even in countries the Governments of which have espoused the cause of the so-called Nationalist Government and utterly disregarded even the legitimate claims of the Government of the People's Republic of China, there has been in recent years a remarkable growth in the volume of public opinion favouring a revision of their Governments' policy towards this question. I indeed regard it as a highly redeeming feature of the situation and shall in this connexion refer particularly to the opinions expressed in the United States by people in authority as well as prominent citizens. A summary of the views of retired United States foreign service officers was prepared for the United States Senate Committee on Foreign Relations, and, though anonymously published for obvious reasons, these views find a place in a State document none the less and carry weight on their own. Samples of the opinions of these retired diplomats are as follows:

"Our non-recognition of Communist China based on moral considerations is in the last analysis a self-denial of opportunities to progress in that area".¹

¹ Study of United States Foreign Policy, Summary of Views of Retired Foreign Service Officers prepared for the Committee on Foreign Relations, United States Senate, 15 June 1959 (Washington, D.C., U.S. Government Printing Office, 1959), p. 75.

"It is nevertheless patent that we cannot for an indefinite period continue our present attitude towards Communist China. We shall have to accommodate ourselves to the situation there just as we eventually did with respect to the Soviet Union, even though it took fifteen years to get around to it".

"We cannot afford to continue to play the ostrich in dealing with China. We cannot afford to continue the pretence that Formosa is China and that the Chinese Government with full control over 600 million people is a negligible quantity".¹

"It is recommended that we return to our traditional policy of recognition as rapidly as we may find it possible to do so. American interest has gained little and has suffered much as a result of our present policy in this respect. It is when we thoroughly disapprove of a Government, when we have reason to fear the intentions of that Government, when we are faced with the hostility of that Government to a point just short of war—in other words, when we have to face a Government like the present Government of China—that diplomatic relations are most important. We should not only recognize the Chinese Government, but we should send to China the ablest Ambassador in our service".

"It is clear, with respect to Communist China, that we have chosen to ignore the fact that this regime does actually and effectively control the entire mainland of China as well as many offshore islands, including the sizable island of Hainan".²

"However, it should be noted that these reasons for a policy of non-recognition can hardly be described as logical, because we have in fact recognized a number of other Communist Governments, as well as totalitarian Governments, who have equally indulged in bloodbaths and who have cruelly mistreated their people".³

Senator Engle of California, while making a plea for revision of the United States policy towards China, only recently on the floor of the United States Senate had some interesting observations to make, some of which are listed below. Senator Engle of California said on that occasion:

"... this China policy is based on a reaction to the past, rather than a calculated look into the future... We cannot dispose of the reality of Communist China through either a wall or a vacuum between us. The reality of China will still exist... Congressman Chet Holifield of California, a member of the Joint Committee on Atomic Energy and one of the leading experts in the country in the atomic energy field, recently stated in a nation-wide television programme that an international inspection system for the purpose of detecting nuclear testing would be ineffectual without some kind of an arrangement whereby inspection could occur on the mainland of China".⁴

In the continuation of the same debate on the floor of the United States

¹ *Ibid.*, p. 76

² *Ibid.*, p. 77

³ *Ibid.*, p. 77

⁴ Congressional Record, Proceedings and Debates of the 86th Congress, First Session, Vol. 105, No. 82, pp. 7877-79.

Senate, Senator Clark of Pennsylvania had the following to say:

“... if we are to come to any meaningful agreement with respect to the suspension of the testing of nuclear weapons, we dare not ignore China.”¹

For a change let me refer to the opinion of the President of the International Olympic Committee. Mr. Avery Brundage announced in Munich on 28 May 1959 that that organization had almost unanimously voted to expel the Nationalist Chinese from the Olympic Committee on the grounds that it no longer represented sports in the entire country of China. While accused of having come under pressure from the Communist Nations, Mr. Brundage declared, “The action was practically unanimous and it was purely a common sense decision, not political in any sense of the word.” A common sense decision by the General Assembly of the United Nations is all that is required to solve this question. May I add that Mr. Brundage’s opinion will be largely shared by many people in America who are proverbially said to base their actions on common sense decisions in every phase of their national life and activity.

Mr. Finletter, former Secretary of the United States Air Force, in the course of his address to a World Order Study Conference sponsored by the National Council of Churches of Christ in the United States of America said, as reported in *The New York Times*, 20 November 1958:

“We had better stop talking about disarmament and indeed about peace unless we are willing to abandon the attitude that the recognition of Red China is something which we will never accept under any conditions.”

Let us look at the views of some of the respected Western statesmen and publicists other than those of the United States on the question. Mr. Edgar Faure, former Premier of France, had this to say after visiting China for a few months, as reported in *The Nation*, 23 May 1959:

“It is necessary to develop relations of every kind, economic and cultural, with China. Our attitude of resistance and refusal produces a result quite the contrary to what we wish... China must be helped to accomplish her modernization, for only that modernization can bring her closer to us economically and politically.”

The Labour Party and the Liberal Party in the United Kingdom seem to favour strongly the admission of the People’s Republic of China to the United Nations. Mr. Bevan, when he spoke in the House of Commons on 30 October 1958, voices and leaves no doubt of the feelings of quite a large section of the British people on this question of China. I am quoting Mr. Bevan’s speech as reported by *Hansard*:

“We get into a difficulty which arises as a result of not permitting China to join the United Nations, not allowing her to join the family of nations and thus being unable to make arrangements with the Chinese without appearing to do so as a surrender to force.

“We have got into a terrible situation. When we are attacked by Honourable Members opposite for taking this apparently pro-communist line, I must say that our view that the Chinese should be represented in the United Nations is shared by the vast majority of the American people themselves. The American Democratic Party takes our view, and a very large number of Republicans take our view. I have not been able

¹ *Ibid.*, p. 7879.

to understand how it is that the policies of the White House have not more closely adjusted themselves in the circumstances to what is known to be the point of view of large numbers of American people.

“How long can that continue, because international relationships are being poisoned by this situation? How can we continue to keep 650 million people outside the comity of nations? How can we hope to get peace in the world when we behave in that way? We are supposed to recognise Communist China, but in the United Nations itself we do not assist in the recognition of China. On the contrary, the other day we gave our vote to postponing consideration of the matter for another year. This is not peace-making, and I am certain that it does not accord with the wishes of the British people.”¹

My purpose in quoting at length from these statements is to give this audience an idea of the state of public opinion in the United States and in Western Europe on the question of the representation of China. It has been contended that this item should not be inscribed in the agenda because it is a highly controversial one and might lead to acrimonious debates. This argument on the face of it appears to be naive when we take into consideration that all items discussed here year after year are controversial and generate a certain amount of heat and passion when they come up before the Assembly. But let us not forget that the United Nations was founded to try and solve these controversial questions. The primary function of the United Nations is to bring about a settlement of these controversial problems. I should like to add here that the United Nations cannot achieve a lasting and peaceful settlement in the Far East and Southeast Asia without the participation of the People's Republic of China in it.

Another argument against the inclusion of this item has been that it is not well-timed. Those who put forward this argument have in mind the disturbing events in our part of the world during past year. But here I would like to submit most respectfully that this is an argument which can be used more in favour than against the inscription of this item in the agenda of the current session of the General Assembly. I have already hinted that our Organization can be more effective in reducing tensions and achieving peaceful settlements only if the parties involved are properly represented here, or in other words, only when the United Nations is made to reflect the existing reality in the world outside. For these reasons and because such important aspects of the question of disarmament, like the suspension of nuclear tests and the prevention of surprise attack, cannot be settled without the participation of China, I plead that there could not be a better time for the discussion of this question of the representation of the People's Republic of China than at this session. Edgar Snow, in his article “China: the Ghost at the Summit”, published in *The Nation* on 23 May 1959 makes the following statement:

“Would it be in American interests, or against them, to be able to test the stability of the People's Republic (of China) through observers on the spot? To our advantage or disadvantage to meet China directly when disputes arose between us? Would it be ‘good’ or ‘bad’ for us

¹ Parliamentary Debates (*Hansard*), 5th series, Vol. 594 (London, H. M. Stationery Office, 1958), p. 341.

to be able to hold China's representatives to account before a world council in the case of situations endangering world peace—the potentials of the Sino-Indian dispute over the Tibetan rebellion, for example—rather than for China to remain legally unanswerable to a United Nations Organization which excludes it?"

To those who think that recent events in our part of the world make it ill-timed for the item to be inscribed in the agenda of the current session of the General Assembly, I would simply say that the preceding quotation and most of the opinions which I have cited in the foregoing paragraphs or subsequent to those events in Southeast Asia that seem to cause concern. To dispel their doubts on that account, I would like to remind them of the words of Mr. Krishna Menon, the leader of the delegation of India. In the General Committee he said (121st meeting), that the events in that part of the world have no relevance to the question of the representation of China in the United Nations.

Disarmament is the primary function of the United Nations. The success or failure of the Organization depends largely on the extent of the progress made in the field of disarmament. The Geneva talks which began more than ten months ago gave us reason to hope for an early and effective cessation of nuclear tests. However, it is only too apparent that no effective solutions of problems related to disarmament can be achieved without the co-operation and participation of China. In this connexion I would like to refer to the exchange of views between Senator Humphrey and Mr. Robertson, who until recently was Assistant Secretary of State for the Far East in the State Department. In the course of hearings before the Foreign Relations Committee Mr. Robertson said:

"It is my opinion, my personal opinion, that any system that has been agreed upon, and that we are satisfied is operable and foolproof, if it is to effectively protect our security interests it must include the world."

Senator Humphrey intervened to ask, "That would mean it must include the mainland of China?" and Mr. Robertson replied, "That is right." That quotation will speak for itself.

It now only remains for me to say that the passage of moratorium resolutions on an important question such as this will merely serve to aggravate the world situation which is already tense for some nations in Southeast Asia.

Before I leave this rostrum may I in all humility and sincerity address an appeal to the great Powers, and especially to the United States of America on whom so great a responsibility rests? The question we are dealing with at the moment is not the question of accepting or rejecting a procedural amendment. The question is one of excluding from or bringing under the beneficent and efficacious influence of the activities of the United Nations 640 million people of China. Apart from the moral and humanitarian considerations involved, the question has attained dimensions which are of great consequence to the people of the world. I beg to submit that the sooner we face the consequences of public debate in such a vital matter as this the better it will be for all concerned. With this purpose in mind, I urge the adoption of our amendments by the General Assembly. After all, the People's Republic of China has become a factor in international life and

politics which can no longer be ignored except at very great peril to the stability and peace of the world. As far as we are concerned, recognition of the People's Republic of China is not merely the question of the recognition of a fact in international life but of a living reality that exists on our northern border. Sooner or later the representatives of the People's Republic of China will take their rightful place in this hall. Let us not shy away from realities that have to be faced some day. I have no doubt in my mind that the facing of this reality will enhance the prestige of the United Nations. Let the United Nations do justice to itself and to the 640 million Chinese people.

It is in this hope that my delegation once again appeals to the representatives of the Member States assembled here to lend their support to the amendments we have submitted to the draft resolution contained in paragraph 7 of the first report of the General Committee. I reserve my right to intervene in the debate once again should it be found necessary.

(U. N. General Assembly, Official Records : 800th Plenary Meeting : 21 September, 1959 : Paras 67-91)

124. Speech of Mr. Rishikesh Shaha in the U.N. General Assembly, New York, October 8, 1960 (Excerpts)

* * * * *

I listened very attentively to the representative of Australia. I agree with him that the question is not a question of two Chinas. I do not think that there is a place for two Chinas in the world outside, any more than there is a place for them in this house. The question is whether the China that is seated here is the China that represents the 650 millions of the people, whether the China that is represented here is obeyed by the bulk of that population.

These, as I have already said, are questions that affect the vitality and the growth and the future of the Organization, and their consideration cannot be postponed except at a grave risk to the peace of the world and except at the risk of undermining the prestige of the Organization.

Some representatives have seen fit to find fault with the behaviour and the system of a particular government. I have already declared that this body should not concern itself with the internal systems and policies of any government. Furthermore, as was pointed out by my colleague from India in his earlier intervention (884th meeting), if we are not to allow inside this Organization any states that have been established by force, quite a number of states—or may be all—would have to be outside the United Nations because, historically speaking, force has always been the basis of the state.

Some representatives have tried to show that the People's Republic of China is the only country that seems to believe in force as an instrument of policy. For my part, I would not accept that criticism, because no state in the world can be said to renounce force or violence as a part of its policy as long as it has a standing army, navy or air force.

In his intervention a little while ago, Mr. Wadsworth said that, after

all, the regime in China had not been established by the method of free elections. I should like to ask all my fellow representatives: If we are to establish free elections as a criterion for the representation of a Government here, how many of us that are Members of this body would be able to fulfil that criterion?

I should like to make a few observations in clarification of a couple of points which have come up in the course of the general discussion on this question.

A concerted attempt has been made to establish that China's record over the past ten years has been far from peaceful. In this connection, the really unfortunate difficulties that have developed between India and China on the border question have been cited as examples of China's record of violence and misbehaviour. My country is deeply perturbed by the deterioration in the relations between India and China. But, as the representative of India, Mr. Krishna Menon, has said with really admirable and statesmanlike clarity, we should separate these two issues, namely, India's difficulties with China on the borders and similar problems, on the one hand, and the question of China's representation in the United Nations, on the other. On this point Mr. Menon said:

"But in a role of that kind, however painful it may be to us, however much it may be a violation of the principles of co-existence, it will not push away from the fundamental things that govern us in regard to the United Nations." (884th meeting, para 188)

Therefore, the question that faces us is whether it is better for us to confuse the issues, as it would seem that some representatives have suggested, or to separate them, as Mr. Menon has suggested, in the larger interests of the United Nations. It is hardly necessary for my delegation to say that it is on Mr. Menon's side on this question.

We should also remember that some twenty-nine Asian and African States, including China, have placed themselves solemnly on record, in the Final Communique which they issued at the end of the Asian-African Conference in Bandung in 1955, as adhering to peaceful methods for settling their problems. The political settlement of the Indo-Chinese problem, for example, came as a result of negotiations with China. Therefore, when dealing with the question of the peace-loving or violent character of China, we should take a more comprehensive view of the matter and decide the question in a really objective and constructive manner.

It has been said that a meeting between China and other Powers, if necessary, can take place outside the United Nations. As a matter of fact, the United Nations—or the United States, for that matter—has negotiated with China over the past eight years at Panmunjom, Geneva, and Warsaw. It is therefore argued that the presence of China in the United Nations is not necessary for this purpose. But, in our humble opinion, the need for, and the fact of, negotiations between the United States and China over the past eight years should lead to a different conclusion. The interests of China and those of other countries meet at so many points that many countries, including the United States, have found it necessary to negotiate with China outside this world body. What is the use of not having the People's Republic

of China in the United Nations if we have been dealing with it over all these eight or ten years of its existence?

I should like to address a word of appeal to the representatives of the Latin American countries, who have always shown great interest and skill in the study and interpretation of law. I should like to put this to them, in all humility: Is there anything in international law which can be employed to bar the representation in the United Nations of the Central People's Government of the People's Republic of China when it is the only Government that exercises effective authority and control—I should like to repeat those words: that exercises effective authority and control—over the entire Chinese mainland? We only hope and wish that they would consider the question of representation of China in terms of international law.

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As we have repeatedly stated, my delegation believes that the proper representation of China is an issue which should no longer be postponed. At the moment, all we are asking for is an open discussion of this question. We are not even asking the Assembly to vote for the seating of the representatives of the legitimate Government of China or for the exclusion of the people who are representing China here at the present moment.

I need hardly mention that China, with its tremendous resources in men and materials, with a powerful army equipped with modern conventional weapons, is growing in might every day and making its impact felt even in assemblies in which it is not represented. The interest shown by the Assembly in the discussion of this question is proof of what I have said. If this is the case, we should see that China joins us in this world body in a proper way. I do not think we shall be able to prevent the People's Republic of China's entry into the United Nations for long. If the United Nations is going to be forced to do something in a few years' time which it could do with grace at this moment, then certainly I am sure the Members would be in favour of doing that and allowing the People's Republic of China's entry with grace while there is still time for recommendation and adjustment. It seems to us we should let this powerful China come into the United Nations, this world body, with good grace, while there is still time for recommendation. If, however, we still continue to exclude this reality, this fact of China, with a quarter of the world's population and with its new dynamism of growth, I am afraid we shall only aggravate the world's problems and China's entry will be far less graceful and far less pleasing than it could be now.

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(*U.N. General Assembly, Official Records: 894th Plenary Meeting: October 8, 1960 : paras 72-90*)

125. Speech of Mr. M. P. Koirala in the U.N. General Assembly, New York, December 12, 1961 (Excerpts)

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NEPAL has a common border of more than 500 miles with the People's Republic of China and we have recently concluded a boundary treaty, one of the preambular paragraphs of which states:

“Noting with satisfaction that the friendly relations between the two

countries have undergone further development since the establishment of diplomatic relations between the two countries and that the two parties have, in accordance with the Five Principles of peaceful co-existence and in a spirit of fairness, reasonableness, mutual understanding and accommodation smoothly achieved an over-all settlement of the boundary question between the two countries through friendly consultations".¹

Our relations with the Central People's Government of the People's Republic of China are very friendly, as they have always been. In addition to the Government of Nepal, the Governments of many other countries in Asia, Africa and Europe maintain diplomatic relations with the Government of the People's Republic of China. I might add that our own diplomatic contacts with that country are of no recent origin, since they have existed since the seventh century; our cultural and religious ties are much older still, dating back to a century before Christ. Throughout the history of our diplomatic relations with that land, there have been many changes in its form of government, and my country has recognized and dealt with all of them. I mention this because we have always believed that we should deal with a State and not with the form of the government or of the ideology on which it was or is based.

We all know that the Governments of many Member States have undergone radical changes, in form as well as in ideology, since they were first admitted to the United Nations; but none of these countries has been asked to relinquish its membership in the Organization or to submit a new application. Some of them are among us today under a different name from the one under which they were admitted originally. This is one of the basic precepts of international law. In this connexion I should like to quote a few lines which appeared in August of this year in *The Juridical Review*, the journal of law of the Scottish Universities:

"It is a well-established principle of international law that a change in headship, or the government, or the territory of a State, even if achieved by a revolution, does not affect its legal identity. Moreover, the practice of Governments, particularly frequent since World War II, does not support the assertion that a change in the name of an old state terminates its legal existence."

Why, then, should we treat the question of China in a totally different manner? Permit me to quote a passage from yet another article, which appeared in the *Political Science Quarterly* published by the Academy of Political Science (of Columbia University) in September, 1961:

"In international law, a state has the right to change its name. The Charter (of the United Nations) does not restrict this right, even with respect to a permanent member of the Security Council mentioned under a definite name in Article 23 of the Charter. The mere change of title, therefore, does not necessarily.....create the status of a non-member of the United Nations whose admission might be subject to veto in the Security Council."

China has virtually been denied the rights and privileges which have been granted to other Member States whose names or governments have changed

¹ Border Treaty between China and Nepal signed on 5th October 1961.

since they were first admitted. How can we accept two totally different interpretations of the principles of the Charter and two conflicting applications of the rules of procedure? It might have been understandable to us if the other States had been denied continuation of their membership on the same ground, but we cannot accept this single exception. I wish to make it quite clear that we are not asking that these other States should be unseated; we are merely asking that we be consistent in our judgement.

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Many countries which in the past did not favour the admission of the People's Republic of China have now seen fit to support steps aimed at recognizing its importance in the United Nations. Many countries, like my own, have always favoured the representation of the People's Republic of China. Some of us had hoped, perhaps wishfully, that some miracle would take place and that this thorny question would solve itself. But though much water has flowed down the East River in the past decade, this issue is no less challenging. Year after year resolutions have been adopted by the Assembly to postpone consideration of this item, thereby denying the possibility of recognition to the People's Republic of China. However, the trend in the Assembly on this matter can be seen from the pattern of voting since 1951, when the Assembly first voted to shelve discussion of the item. The figures clearly show that the consensus of world public opinion, as reflected in this house, has increasingly favoured discussion of this item, while support for the traditional policy of shelving discussion of the item has diminished every year. Now, for the first time, we are openly discussing this item, and in our opinion, this should be a clear indication to those who still wish to perpetuate a policy of isolating the People's Republic of China that they will not be able to do so far so much longer.

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There are many reasons why we must have among us here the representatives of the People's Republic of China. We cannot expect the Central People's Government to sit back and listen to what we do here and abide by the decisions we take if they are not permitted to have a voice in our deliberations. The strength of the People's Republic of China and its influence on international relations has been growing steadily, and we can expect it to continue to grow in the future. As we look forward to resumed negotiations on disarmament and on the suspension of nuclear and thermo-nuclear tests, we must look forward also to the inclusion of the People's Republic of China in such negotiations, for though no Member State can be compelled to abide by the recommendations of the General Assembly, or for that matter, any of the other organs of the United Nations, every Member State is subject to the moral pressure of the United Nations and the world public opinion which it generates.

There is another reason why the Central People's Government of the People's Republic of China must be admitted to the United Nations. In order to solve any of the problems which confront Asia, China must be properly seated at the respective conferences. No effective solutions can be expected without the active co-operation of the People's Republic of China which represents the largest land area and the largest population. This is true, despite whatever isolationist policy may be followed on a bilateral

basis between China and another nation, for on problems affecting the whole of Asia, China must be included.

We have heard the argument that Taiwan is a state in exile, and that the Government in Taiwan is acting as the Government in exile. It has been said that the Governments of many countries have been forced into exile during a period of war. But my delegation contends that such a state of war does not exist at present, and this reasoning cannot be applied to the present situation. How can we admit a state of emergency when the situation has not changed at all over ten years? Even if it were conceded that this is a state of emergency and that a state of war does not exist, it could not be maintained that the People's Republic of China is the aggressor. It is the Government operating on Taiwan that would have to be labelled as the aggressor, and consideration would have to be given to this aspect of the case as well.

We cannot solve the world's problems in general and Asia's problems in particular by ignoring a Power that exercises great influence on world public opinion and international relations. Any lasting settlement for peace and the relaxation of international tensions, and any hope for strengthening the United Nations and enhancing its international character, will have to include the Central People's Government of the People's Republic of China, and my delegation hopes that we can look forward to the early recognition of this fact by the Assembly.

Before concluding, I would like to say just a few words regarding the attitude of the United States Government on this question. In times of stress and tension, and in the wake of war, the United States has always taken a strong lead on the road to peace. It was the United States which, after the First World War, paved the way for the League of Nations, and it was the United States that played a leading role in the formation of the United Nations. All the freedom-loving nations of the world continue to look to the United States, among others, for guidance and inspiration in the conclusion of a lasting settlement for peace in the world. Our Burmese colleague has gone so far as to quote the words of the United States representatives on the question, indicating that even the respected statesmen of this great Power seek a lasting solution to the problem of Chinese representation here and accept the reality as it is today. Can we hope that these words will soon be translated into action, and that the solution of the proper representation of China will become the newest measure of peace in our world, as expressed through this world Organization?

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(*U.N. General Assembly, Official Records* : 1076th Plenary Meeting : December 12, 1961 : paras 1-16)

126. Speech of Mr. Rishikesh Shaha in the U.N. General Assembly, New York, October 26, 1962 (Excerpts)

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IN demanding the restoration of the lawful rights of the People's Republic of China, we do not ask the United Nations to practise a magnanimous act of charity; we simply ask the United Nations to face the political reality obtaining in the world and to act accordingly, to render unto Caesar the

things that have been and are Caesar's, a course of action which should have been followed normally thirteen years ago.

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After the lapse of these thirteen years, the People's Republic of China still has no seat in the United Nations. The United Nations is a voluntary international organization which, unlike its nineteenth-century prototypes, the Holy Alliance and the Quadruple Alliance, does not concern itself with the internal affairs of any of its Member States. In the event of any revolution taking place in a State entailing a change in its political and social system, it is not for the United Nations to criticize or to withhold recognition of the new government. This principle nobody challenges. I have not even heard arguments to say that the People's Republic of China does not represent the Chinese people. The principle of non-intervention in the internal affairs of a country by the United Nations is accepted by all. The fact that the present Government seated at Peking represents the mainland of China and the offshore islands and commands the habitual obedience of the bulk of the population is also clear. Still, the fact remains that this Government does not have its representatives here and that its seat has long been occupied by the representatives of a non-existing government of China.

The Government of the United States of America, in defence of its policy, says something to the effect that after all, the Government of Taiwan has served so many years in this Organization; that they are willing to carry out the obligations of the Charter; that their representatives are such nice gentlemen. We do not doubt this. The Government of Taiwan may be devoted to the principles of the Charter and its representatives may be nice, pleasant people. But we are not dealing here with our private affairs; we are dealing with the Organization of the United Nations, membership in which presupposes statehood. Good manners and courtesy do not qualify anyone to speak in the name of a sovereign people, unless he represents a government which commands the obedience and loyalty of that people. A group of persons illegally constituted as the government of another nation's territory may be willing to serve the United Nations, they may have full willingness to carry out the obligations of the Charter; but they simply do not have the ability to do so because their government does not hold authority over the territory of the nation for which they presume to speak here, and as such, they cannot be regarded as capable of carrying out the obligations imposed by the Charter.

In the light of above fact, it becomes crystal-clear that the theory of two Chinas, which some delegations seem to uphold, is entirely wrong in conception, and dangerous in implications. We are past the age when the principle of divide and rule obtains. We, on our part, have no doubt that the island of Formosa forms an integral and inalienable part of China.

At the Bandung Conference, all countries that participated in it recognized the moral claim of the Government of the People's Republic of China to the island of Formosa and to other offshore islands. It is also a fact that the Central Government of the People's Republic of China is the one and only Government whose effective authority extends over the Chinese mainland and most of the offshore islands. The Government has stayed in power for thirteen years, without showing any external signs of decay or

decline in power or prestige. It is, therefore, the only Government which can represent and speak for the 650 million Chinese people.

There are also among us some who recognize China in practice, and have diplomatic relations with it, but who are not prepared to discuss or to vote for the proper representation of China in the United Nations. It is difficult for us to understand this attitude. We do not understand the contention that the discussion of this question might impair international relations, which are already far from satisfactory. It has been said that it is a highly controversial question which might lead to bitter and acrimonious results. I think this kind of attitude is not going to take us very far. The naivety of the attitude becomes apparent when we take into consideration the fact that practically all discussions here are accompanied by, or generate, a certain amount of heat. Must we really forget, however, that our Organization exists for the purpose of resolving difficulties and controversial issues, in the interests of peace? It has often been contended that membership in the United Nations is open only to peace-loving States, as is stated in Article 4, paragraph 1, of the Charter; and it has been alleged that the People's Republic of China is not qualified for membership because it is not peace-loving.

The most recent example cited in support of the contention is the so-called Chinese aggression on Tibet and the Sino-Indian border dispute. As for the case of Tibet, we have merely to state that China could not possibly have committed aggression on a territory which had long been, historically and geographically, recognized as hers. We do not want to pass on the merits of the Sino-Indian border dispute. As a country friendly to both, our own hope and prayer has been that the dispute be settled without resort to force and through negotiations, in a spirit of understanding. But whatever the merits of the case, the argument loses all its weight because India itself is one of the greatest champions of the restoration of the lawful rights of China in the United Nations. We must praise that attitude of the Government of India, because it has, even under stress, endeavoured to look at this question from an objective point of view. We, on our part, are solidly behind the stand taken by the Indian delegation in the fifteenth session (882nd meeting), that the two issues—namely, the Sino-Indian border dispute and the question of the representation of the People's Republic of China here—must not necessarily be linked together.

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I am struck by the attitude of the delegation of the United States of America in regard to the proposal of the application of Article 6 of the Charter against the people of South Africa. That attitude—which, in our view, is very correct—is that we would be doing a disservice to the cause of the Organization and to world peace by expelling South Africa from the one place where the moral influence of the United Nations can most be brought to bear upon it. If the United States Government believes that the action and policies of the People's Republic of China are not compatible with the Principles and Purposes inscribed in the Charter—which, we think, in its heart of hearts, it does not—why, then, does it not adopt the same attitude towards the question under debate? Why, then, has it consistently opposed the admission of China to its rightful place in the United Nations?

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Let no one be confused over the question; let everybody look at the simple and plain fact: China is one of the fifty-one founding Members of the United Nations. The representation of China is not a question of the admission of a new Member; China has a built-in structure, as it were, in the Charter of the United Nations itself. In recognition of its valuable contribution during the Second World War, and in consideration of its size, population, wealth and resources, China was rightfully accorded a permanent seat in the Security Council Chamber. That seat is still occupied in the name of China, but it is not occupied by the representatives of the Central People's Government of the People's Republic of China which, in fact, holds authority over the entire mainland of China and the offshore islands, and demands obedience from the bulk of its 650 million people.

We demand, in plain language, that the seat allocated originally to China be restored to the Government which exercises an effective authority over the Chinese land and the Chinese people. The question before us is the restoration of the legitimate rights of the People's Republic of China in the United Nations. Not only is the question as important as this, but some delegations have demanded that a two-thirds majority would be required to take any decision on its solution. We do not say that the question is unimportant: it is important from the point of view of the consolidation of peace; it is important in that any further manoeuvre of procrastination may involve the very existence of the United Nations itself. The importance of the question, as the Soviet delegation put it, does not prevent it from being a simple procedural matter, as far as its solution is concerned. We have to be realistic in our approach towards international affairs.

We cannot neglect a political reality. Whether we recognize it here or not, the existence of the People's Republic of China is a fact of international life; the sooner the United Nations recognizes it the better because the United Nations, in order to be able to fulfil the functions assigned to it by the Charter, must reflect the realities obtaining in the outside world. The United Nations was certainly not intended to be a club composed of like-minded nations. It has been described as a centre for harmonizing the actions of the nations of the world. We may dislike the social and political systems prevailing in other countries; we may differ with them in our views of international development; we may not establish diplomatic or any other kind of relations with them, these are our privileges.

Let me add here that to recognize or not to recognize China, to have diplomatic relations or not to have diplomatic relations with it, is the business of the United States Government. We do not say that it should recognize China, but our point is that the Government of the United States should not be a party to blocking China's entry into this Organization. As I said a little while ago, the United Nations cannot be really universal in its scope and cannot carry out the functions assigned to it by the Charter, as long as it does not reflect the reality that obtains in the world outside. We cannot prevent the People's Republic of China from being admitted to this world Organization because that is clearly not our private business. The Charter of the United Nations speaks of the peoples of the world. How can we forget our responsibility to 650 million people who comprise the population of the mainland of China? How can the United Nations attain its goal of universality

if we debar one-fourth of the world's population from our Organization? How can the United Nations be effective in fulfilling some of its most important functions, functions concerned with disarmament and collective security, without the participation of China, a country which is great by any standard? As a matter of fact, even a great country like the United States of America is compelled, by force of circumstances, to deal with representatives of the People's Republic of China at various conference tables throughout the world. The representatives of those two countries got together at the time of the historic Geneva Conference in 1954 which brought about a solution to the question of the old French Indo-China¹. Certainly they have discussed various things at Warsaw and have been doing so for some time.

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(U.N. General Assembly, Official Records : 1159th Plenary meeting : October 26, 1962 : paras 1-18)

127. Speech of Mr. M. P. Koirala in the U.N. General Assembly, New York, October 16, 1963 (Excerpts)

THE question which we are discussing today is not a new one. The item has been on the agenda of our Organization for the last several years. Every year my delegation, among others, has come to this rostrum and has urged the United Nations to do a simple and just thing, that is to accept the reality of the representation of the People's Republic of China in the United Nations and its organs. But it really pains me to have to state here that, so far as this question is concerned, the United Nations—the world Organization created by the noblest aspirations of man to ensure peace, security and justice in the world, and consisting of independent and sovereign States—has till now refused to accept the reality of the world situation. In this matter, I am constrained to say, our Organization has so far acted like an escapist who, when called upon to face reality, closes his eyes and refuses to believe the obvious truth. Our Organization, so far as this question is concerned, has time and again been refusing to do justice to the legitimate rights of the great People's Republic of China. We do not, however, lose hope. We do not believe that this situation will continue long. We do not believe that justice will remain forever undone. Truth and justice, as our sacred Scriptures say, must in the end prevail. We refuse to believe that our Organization will permit itself to remain any longer blind to the reality in this regard. Most important of all, we refuse categorically to believe that this world body will be incapable of self-examination. That is why we have been appealing year after year to the United Nations for the reconsideration of this question. In the name of justice, we appeal again to this Assembly to cast from its eyes, once and for all, the dust of power politics and welcome one of its great permanent members of the Security Council back to the fold.

Yet it is not in the interest of justice alone that we plead most ardently that the rights of the People's Republic of China be restored. The fact that a great, powerful and large country, a founding Member of this Organization and one of the five original permanent members of the Security Council, has since 1949 been kept out of this Organization artificially is, to say the least, a lamentable one. This fact, I need hardly say, militates against the principle of universality of membership of the Organization, a fundamental

¹ Conference on the problem of restoring peace in Indo-China.

principle which, along with the correlated principle of the equality of all Member States, lies at the foundation of this Organization. At this point our minds are naturally led to contemplation of the fate of the League of Nations, memories of which were revived in the Assembly only a few days ago when His Imperial Majesty the Emperor of Ethiopia was pleased to address this Assembly. The Emperor recalled how twenty-seven years ago his country was overrun by aggression without the League of Nations being able to do anything about it. The League of Nations died because it could do nothing to uphold by action the purposes and principles of its Covenant. It could do nothing, because it was crippled and made powerless from the very beginning. The United States refused to join the League, and, to make matters worse, the League statesmen refused to admit the Soviet Union. The League of Nations suffered from the lack of universality from the outset. No wonder the League failed in the fundamental task of safeguarding the territorial integrity of nations and the maintenance of peace and security in the world.

The principal task of the United Nations is the same. We, constituting the United Nations, are committed to the essential task of safeguarding the integrity and sovereignty of nations and maintaining the security and peace of the world. But how can this be possible if a great and powerful country such as the People's Republic of China, comprising one-fifth of the world's population, is made an outcast in the comity of nations by narrow power politics? Therefore it is not only in the interest of justice alone but also in the interest of our Organization, in the interest of making it a more effective instrument for international peace and security, that the lawful rights of the People's Republic of China should be restored in our Organization. The United Nations, I submit, is not a selective club of what some of us may consider to be good and desirable Members only, leaving out those whom these gentlemen may consider as undesirables. The United Nations is a universal Organization where independent States with different ideologies and socio-economic systems co-exist with one another as equal Members, all owing allegiance to the principles of the Charter and committed to working together for international peace and prosperity.

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The Chinese people are a great and peace-loving people. Their achievements in culture and science and their contributions to the evolution of civilization can hardly be over-estimated. One hundred and eleven Member States are assembled here so that we can unite our strength to maintain peace and security. When the rights of the Chinese people to unite their strength in that noble task were flagrantly denied in 1949, our membership consisted of about half that number. Since then two continents and a new world order have come of age. China's fight against oppression and domination of nation by nation and of man by man has considerably helped to bring about that new order. It is indeed regrettable that it should find itself now in a position wherein it is deprived of its right to unite its strength with that of other nations of the world to fight collectively for the total elimination of the remaining injustices of the world, to promote social progress and better standards of life in larger freedoms and to maintain international peace and security.

The ultimate goal of our Organization is the maintenance of peace and

security in the world. To secure that goal the total resources in the world of human energy and genius are needed. We have all recognized that complete and general disarmament is the only effective means of realizing that objective. The Eighteen-Nation Committee on Disarmament is currently busy working out an acceptable formula towards that objective. The Eighteen-Nation Committee, however, suffers from one great shortcoming. One of the great Powers has refused to co-operate with it, and another potential nuclear Power, that is the People's Republic of China, has been refused the opportunity to co-operate. We are of the view that so long as the great Powers—the nuclear as well as the potentially nuclear Powers—are kept away from the negotiating table on matters of disarmament our goal of complete and general disarmament may not be fulfilled as early and effectively as we should like. Even if some sort of agreement is reached by the Powers that are in the Disarmament Committee, such an agreement would not be highly workable in the absence of co-operation from those great Powers. For the sake of the success of the disarmament talks, therefore, if not for anything else, let us now admit China's right to its original place in this Organization and invite it to participate in the Geneva negotiations.

The recent Moscow Treaty¹ on a partial nuclear test ban has partially eased the tension that hitherto prevailed in the world. This is the time to seize the opportunity afforded by the creation of a better climate in the world situation to cast aside our narrow political interests and, in the name of world peace, to restore the People's Republic of China to its original place in the family of nations. In this connexion, my delegation has already expressed, during the general debate (1218th meeting), our high appreciation for the Indian statesmanship which has refused to allow India's border troubles with China to prejudice in any way its attitude towards this totally different question.

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(U.N. General Assembly, Official Records : 1242nd Plenary Meeting : October 16, 1963 paras 82-90)

128. Speech of Major General Padma Bahadur Khatri in the U.N. General Assembly, New York, November 10, 1965

THE question of the restoration of the lawful rights of the People's Republic of China in the United Nations, which the General Assembly is now discussing for the seventeenth time, is the most vital problem of our day. There is an ever-growing realization of the fact that the time has now come to make the United Nations an effective international body for the promotion of international peace and security. My delegation feels that in order to develop international understanding and co-operation for international peace and security, for which this world body came into being, it should be so streamlined that it could act as a unity in diversity, thereby adapting itself to the dynamic changes and evolution of international conditions. With this idea in mind, Nepal, ever since its admission to the United Nations ten years ago, has been constantly urging on this body the need to undo the injustice against the People's Republic of China, whose authentic representatives are

¹ Treaty banning nuclear weapon tests in the atmosphere, in outer-space and under-water, signed at Moscow on 5 August, 1963.

debarred from taking part in the deliberations of the United Nations. The absence of the People's Republic of China has, indeed, weakened the United Nations in its fuller realization of the objectives of the Charter. We are convinced that the presence of the People's Republic of China would definitely help to enhance the prestige of the United Nations and give more strength to our decisions. In fully asserting the need for the proper representation of the People's Republic of China, His Majesty King Mahendra said at the Conference of Non-Aligned Nations at Belgrade in 1961:

"It has been our view that by refusing to accept China in the United Nations, the world Organization has lost much of its effectiveness. Whether in the United Nations or outside, China remains a world Power and not to have this Power in the world body is harmful to it and irritating to China."

Speaking on the question of the People's Republic of China from this rostrum in the course of the general debate on 5 October 1965, the Vice-Chairman of the Council of Ministers and Foreign Minister, Mr. Bista, observed:

"The continued absence of the Government of the People's Republic of China gives an air of unreality to all decisions and deliberations of the United Nations...there is one China and that is the People's Republic of China; and a refusal of its rightful claim to be within the United Nations today is completely contrary to the realities of the present day world". (1349th meeting, para 150)

These statements represent our stand and by doing justice to the People's Republic of China alone, we shall be able to create better conditions for the achievement of the ideals and objectives of the United Nations for the future of mankind.

Nepal is a non-aligned country, fully committed to the principles and objectives enshrined in the Charter of the United Nations; and, as such, it regards this world body as the sentinel of peace and freedom. Nepal has always wanted it to grow in such a manner as would inspire the confidence and belief of all nations, irrespective of their size, political affiliation or social or economic systems, so that the United Nations could really become the altar of peaceful co-existence among all countries. We, therefore earnestly wish this Assembly to give its thoughtful and serious consideration to this vital question.

I have noted that some of the previous speakers have drawn our attention to the Declaration of the Conference of Heads of State or Government of Non-Aligned Countries, held last year in Cairo, which recalled the recommendation of the earlier conference of Non-Aligned countries held in Belgrade and asked this General Assembly to restore the rights of the People's Republic of China and to recognize the representatives of its Government as the only legitimate representatives of China in the United Nations. This recommendation contains the request of fifty-seven countries, including forty-seven non-aligned countries, which have well recognized the importance of the People's Republic of China in World Affairs.

At this moment, we should also take into account the fact that three permanent members of the Security Council—the Soviet Union, France and

the United Kingdom—are in full favour of restoring the rights of the People's Republic of China in the United Nations.

When we talk of Vietnam or of disarmament issues such as the complete prohibition of nuclear tests, general and complete disarmament or, even, of a world disarmament conference, circumstances have impelled us to see the imperative need of the participation of the People's Republic of China in our deliberations in the United Nations. This is a fact. I think nobody would disagree with me on this question.

While dealing with this question, let me recall the statement made by my Foreign Minister, who said:

“Whether in the question of general and complete disarmament or in the political settlement of the South-East Asia problem, the participation of the People's Republic of China is one of the prime necessities for attaining peace in the world”. (1349th meeting, para 50)

Nobody can ignore the fact that China is a nuclear Power, a country with a large military potential. China is one of the biggest land masses of the earth having 700 million inhabitants who constitute one-fourth of the world's population. By keeping such an enormous world Power outside the United Nations, the problem of disarmament and other fundamental problems of our time cannot be solved.

To those who still maintain the view that the Republic of China is the legal Government, we should like to tell them very politely that they do not understand the course of history. It has been proved that, for sixteen years, the whole territory of mainland China has been under the effective and normal control of the Government of the People's Republic of China, which enjoys the absolute allegiance of the Chinese people. How, therefore, can the Taiwan Government, which by no standards can maintain great Power status, be properly regarded as one of the Big Five? It is simply ridiculous.

The so-called representative of Taiwan, who claims to be the representative of the great Chinese people, even refrained from speaking the Chinese language, a language recognized by the Charter as one of the five United Nations languages. We have heard representatives of the Big Four speaking in their own languages, but we did not hear the other day the so-called representative of Taiwan speaking in Chinese. It seems that they are accustomed to speak for others in the language taught to them.

I believe that most of you will agree with me that the revolution of 1949 has already uprooted the Chiang Kai-shek regime from mainland China and has installed the People's Republic of China with which most of the countries have established diplomatic, social and economic relations. It is the Government of that People's Republic of China which is the legal Government—and the only legal one—and not Kuomin-tang China.

We have scores of Governments similarly established represented here. Why, then do we see such injustice and discriminatory treatment with regard to the People's Republic of China, when a large number of African, Asian and Latin American Governments which have come to power through popular revolutions under similar conditions are seated here? Why then is a two-thirds majority sought with regard to the People's Republic of China?

This, need I say, is a concocted procedural stratagem and nothing else, to thwart the legitimate claims of China. As we consider the participation of the People's Republic of China to be of vital concern to all for the cause of world peace and also for the maintenance of the balance of power within the United Nations as envisaged by the San Francisco Conference, we should take it as a simple procedural question of substitution which should be decided by a simple majority.

Nepal has a common border of more than 1,000 kilometres with the Tibet region of China, a border which was under dispute for 150 years. We have amicably settled this border problem to the entire satisfaction of both Nepal and the People's Republic of China. This convinces us that until now we have found their international code of conduct with us most correct.

In conclusion, the vexatious treatment and discrimination which the People's Republic of China has suffered so far constitute a mutilation of justice to which we must put an end as soon as possible in our bid to make the United Nations a saviour of mankind. Any delay in the settlement of this question will not contribute to our quest for the immediate solutions to the problems with which we are most concerned today.

(U.N. General Assembly, Official Records : 1372nd Plenary Meeting : November 10, 1965 : paras 72-85)

129. Speech of Major-General Padma Bahadur Khatri in the U.N. General Assembly, New York, November 28, 1966 (Excerpts)

* * * * *

THERE is no doubt, however, that the position of the countries which oppose restoration of the lawful rights of the People's Republic of China in the United Nations is weakening each day with the passage of time. It is a matter of history that these Powers were successful in blocking the discussion of this question in the General Assembly from 1951 to 1960. Because discussion of the question in the Assembly could no longer be blocked, these Powers have since then changed their tactics and introduced procedural wrangling to make the question one of importance within the meaning of Article 18, paragraph 2, which would require a two-thirds voting majority in the Assembly in order to restore the lawful rights of the People's Republic of China. We have time and again rejected this contention as being only a manoeuvre designed to keep the People's Republic of China out of the United Nations. We know that these countries would not hesitate to resort to other manoeuvres to gain further time if they had to.

So far as my delegation is concerned, the six-Power draft resolution contained in document A/L. 500 falls into the category of such futile procedural manoeuvres. However good may be the intentions of the co-sponsors—although, I regret to say, these good intentions seem to be decidedly misguided in this case—the proposal contained in the draft resolution is bound to meet with a fate similar to the one that confronted the Canadian proposal in 1950. As several delegations have recalled, the study Committee formed under that proposal met only once and reported failure.

The six-Power draft resolution seeks to form a committee to study and inquire into the question of participation of the People's Republic of China

in the United Nations. In our view, there is nothing to be studied and inquired into about this question. This proposal militates against common sense and is nothing but a procedural manoeuvre calculated to shelve the question for one year at the minimum. It is a retrograde step which, if adopted, would take us back to the days of 1950, when similar attempts were made by interested countries which do not want the restoration of the lawful rights of the People's Republic of China in the United Nations. The draft resolution containing this proposal is complementary to the one submitted by fifteen Powers in document A/L. 494, declaring this question one of importance within the meaning of Article 18, paragraph 2. The question is simply the question of recognizing the representatives of a State which is already a Member and enabling them to occupy their seats in the United Nations to which they are entitled. This being so, I think it is incumbent upon me to let the Assembly know that my delegation would oppose the "study committee" resolution with as much vehemence as it would reject the "Important issue" resolution.

* * * * *

The Assembly should immediately remedy a situation in which, by the irony of history, a Government, purely puppet in nature, situated on a slice of Chinese territory unsupported by the people save for a misguided handful and bolstered up by certain foreign interests, can continue to usurp the legitimate Chinese rights in the United Nations.

The question which of the two Governments should represent China in the United Nations, the Government of the People's Republic of China or the scarecrow Government in Taiwan—one supported by the people and with effective control over the territory of China, and another supported only by foreign interests—is obvious. It is simple and straight-forward. No study committee is needed now to seek an answer to this question. We shall only be flying in the face of reality if we persist in our pretence that the answer is not clear.

The reality of the whole situation is that the present Government of the People's Republic of China is there and has come to stay. The ideology and outlook this Government has adopted, or the cultural revolution that is going on at present in China have no relevance whatsoever to the question we are considering now, namely, the restoration of the lawful rights of the People's Republic of China in the United Nations.

Our Organization is an organization of sovereign, independent States as they are, whatever may be their differing policies, views and systems. Acceptance of a Government's policies has never been a precondition for its participation in this Organization. Even if we find that the policies of the Government of the People's Republic of China are not to our liking, we have no right whatsoever to block China's proper representation in the United Nations. We are not here considering the question of admission of a new Member State. We need not inquire into whether the present Government of the People's Republic of China satisfies the qualifications set forth in Article 4 of the Charter for becoming a Member of the Organization.

* * * * *

China, which until 1949 was a backward, exploited and weak country, has in the course of the past seventeen years become a Power to be reckoned

with under the leadership of the present Government. Today, the People's Republic of China is a rapidly developing, a strong and, moreover, a nuclear Power. It is the anomaly of the situation that even the Powers which refuse to recognize the People's Republic of China and go all-out in their efforts to prevent the Assembly from restoring the lawful rights of that country in the United Nations have been forced to carry on a series of both secret and public negotiations with it on many international issues. This fact proves beyond doubt that these Powers accept the impact on international affairs of the People's Republic of China. But it seems indeed a pity that these Powers cannot reconcile their policy of negotiating with the People's Republic of China outside the United Nations with that of blocking by all means the restoration of its lawful rights in this Organization.

In view of the reality of the present world situation it is imperative that the People's Republic of China should be actively associated in any negotiations designed to seek a lasting solution to any of the major problems facing mankind today. It is the considered view of my delegation that by passing or ignoring the existence of the People's Republic of China as a world Power would not bring us closer to solution of any of these problems.

This assertion is borne out by historical facts. The participation and co-operation of the People's Republic of China ensured the success of the first Asian-African Conference held in Bandung in 1955. The People's Republic of China is a co-author of, and a party to, the historic Bandung Declaration of ten principles concerning promotion of world peace and co-operation. This Declaration gave new life and force to the principle of the self-determination of peoples in Asia, Africa and other parts of the world, as well as to those of economic co-operation among States, and, above all, it enshrined the principles of peaceful co-existence and co-operation among nations, which form the backbone of inter-State relationships today. The participation and co-operation of the People's Republic of China equally made possible the success of the Geneva Conferences on Indo-China.

* * * * *

The People's Republic of China has diplomatic and trade relations with about fifty countries of the world, including all the permanent members of the Security Council except one. As I said earlier, even that Power is forced to carry on negotiations with the People's Republic of China. It is a great misfortune for the world that a country such as China, which is older than history, a cradle of civilization and culture, a country containing one-fourth of the human race and one which is also a nuclear Power, is still barred from the activities of the United Nations and its organs, particularly the Security Council, because of the machinations of certain interested Powers. To quote His Majesty King Mahendra in his address to the historic Belgrade Conference:

“By refusing to accept China in the United Nations, the World Organization has lost much of its effectiveness. Whether in the United Nations or outside, China remains a world Power. And not to have this Power in the United Nations is harmful to it”.

Article 28 of the Charter shows that the Security Council of the United Nations was intended to provide a means of serious negotiation at the highest level on a continuing basis. In other words, the Article meant the

Security Council—in which China is entitled to a permanent seat—to be in fact a continuous “summit conference” in which basic issues dividing nations were to be discussed and settled. In the absence of the People’s Republic of China, nothing has been done in the past, nor can anything be done in the future, to utilize the Security Council of the United Nations in such a useful and fruitful manner as envisaged in the Charter.

Under these circumstances, it is reasonable that we cannot expect the People’s Republic of China to condone a situation in which the Chinese people are supposed to be represented by a group of exiles living on an island which itself is and has been recognized by international agreement as part of China. This situation has continued for a long time—far longer than we could have imagined—to the detriment of the effectiveness of our Organization and of world order. Let this Assembly redress the wrong now by inviting the People’s Republic of China to occupy its rightful place in the United Nations. By falling into the manoeuvres engineered by certain interested countries, the Assembly has ignored the existence of China long enough. These manoeuvres have manifested themselves in various shapes. My delegation rejects the delaying tactics. We consider the “two Chinas” formula as particularly ridiculous and objectionable. This formula is nothing but an addition of insult to injury. Given good-will and a certain amount of political will, the question of the proper representation of China is an easily surmountable one. My delegation also deplores the attitude of certain interested Powers which, while favouring restoration of the lawful rights of the People’s Republic of China in the United Nations, earnestly strive to prove that the question should be regarded as one falling within the meaning of Article 18(2) thus trying to perpetuate the present situation of injustice and unreality.

In the interests of world peace and international morality, my delegation once again would like to urge this august Assembly that the lawful rights of the People’s Republic of China should be restored without further delay. My delegation addresses its appeal to those African and Asian countries which oppose restoration of the lawful rights of the People’s Republic of China but which sat with the People’s Republic of China at the Conference table in Bandung in 1955, in Djakarta in 1964, and were prepared to sit again in Algiers last year, to give this question very careful consideration.

Lastly, I should like to direct my appeal particularly to the participants in the Cairo Conference of non-aligned Heads of State and Government, who, with one voice, solemnly requested the Assembly “to restore the rights of the People’s Republic of China and to recognize the representatives of its Government as the only legitimate representatives of China in the United Nations”. I appeal to the delegations of all the countries which participated in that Conference to honour the solemn commitment entered into by their Heads of State and Government. I am confident that if all the delegations of the countries which participated in the Cairo Conference vote according to their commitment in regard to this question, draft resolution A/L.496 would easily receive the required majority of votes in the Assembly.

C. Economic Relations

(i) TRADE

130. Agreement on Trade and Intercourse, Kathmandu, September 20, 1956
(see document No. 99)

131. Trade Agreement, Kathmandu, May 19, 1964

HIS Majesty's Government of Nepal and the Government of the People's Republic of China (hereinafter referred to as the Contracting Parties) for the purpose of further developing the friendship between the two countries and strengthening the economic and trade relations between the two countries, especially the traditional trade relations between Nepal and the Tibet Region of China, have, on the basis of equality and mutual benefit, agreed as follows:

Article I

The two Contracting Parties shall take all appropriate measures to develop the trade between their two countries, and agree to promote the exchange of goods between them.

Article II

The trade between the two countries may be conducted through the state trading organisations in Nepal and China, as well as through other importers and exporters of the two countries.

Article III

The exchange of goods between the two countries shall be conducted in accordance with their respective laws, regulations and procedures regarding import and export and foreign exchange regulations in force from time to time in the two countries.

Article IV

The trade between the two countries shall be based, as far as possible, on the principle of equilibrium between the total values of imports and exports.

The two Contracting Parties shall, through periodical consultations, determine what goods one country can make available to the other; and they shall mutually accord to each other as favourable treatment as possible in respect of the issuance of import and export licences for such goods.

Article V

The two Contracting Parties shall grant to each other the most-favoured nation treatment in all matters relating to customs duties and other taxes, fees and charges of any kind to be levied on exportation and importation of commodities, and to the rules, formalities and charges of customs management. These provisions, however, shall not apply to:

1. Advantages resulting from any customs union or other agreement on customs-free trade to which either Contracting Party is or may become in the future a party; and,
2. Advantages accorded by multilateral economic agreements relating to international commerce.

Article VI

Payment in connection with the importation and exportation of commodities and goods as well as other payments between the two countries shall be made in convertible Pounds Sterling or any other mutually agreed currency.

Article VII

Border inhabitants of the two countries may, within an area of 30 kilometers from the border, carry on the petty traditional trade on barter basis, which shall not be subjected to the limitations of the above mentioned provisions.

Article VIII

Nothing in this Agreement shall be construed to derogate from any obligations of either of the Contracting Parties under any international convention or agreement entered into before or after the conclusion of this Agreement.

Article IX

Any dispute arising out of the implementation of this Agreement shall be settled through peaceful and friendly consultations between the Contracting Parties.

Article X

This Agreement replaces the Paragraph II of Article IV of the Agreement to Maintain Friendly Relations between the Kingdom of Nepal and the People's Republic of China and on Trade and Intercourse between Nepal and the Tibet Region of China concluded between the two Contracting Parties on September 20, 1956¹.

This Agreement shall come into force on and from the date of signing and its validity is for two years. If neither party notifies the other in writing to terminate this Agreement at least six months before its expiration, the validity shall be automatically extended for another two years.

¹ see page 185.

After the expiration of this Agreement, all obligations arising therefrom shall be carried out in accordance with the provisions of this Agreement.

The present Agreement is concluded in Kathmandu on 19th May, 1964. Done in duplicate in the Nepalese, Chinese and English languages, all the three texts being equally authentic. In case there should arise any difference in interpretation between the Nepalese and the Chinese texts, the English text shall be taken as final.

*Plenipotentiary of
His Majesty's Government
of Nepal*

*Plenipotentiary of the
Government of the People's
Republic of China*

(Library, Ministry of External Affairs, New Delhi)

132. Agreement on Trade, Intercourse and Related Questions between Tibet Autonomous Region of China and Nepal, Peking, May 2, 1966

THE Government of the People's Republic of China and His Majesty's Government of Nepal,

Being desirous of further developing the friendly and good neighbourly relations between the two countries, reaffirming the five principles, i.e.,

1. Mutual respect for each other's territorial integrity and sovereignty,
2. Mutual non-aggression,
3. Non-interference in each other's internal affairs for any reasons of an economic, political or ideological character,
4. Equality and mutual benefit, and
5. Peaceful co-existence,

as the fundamental principles guiding the relations between the two countries,

Desiring to develop on the basis of these principles the traditional friendly relations between the peoples of the two countries and particularly between the inhabitants of the Tibet Autonomous Region of China and the people of Nepal,

Have agreed to conclude the present Agreement on the basis of the "Agreement to Maintain the Friendly Relations between the People's Republic of China and the Kingdom of Nepal and on Trade and Intercourse between the Tibet Region of China and Nepal" signed by the two Governments on September 20, 1956.

After friendly consultations, the two Governments have agreed upon the following:

Article I

The two Governments agree that the movement of persons between the Tibet Autonomous Region of China and Nepal shall be governed by the following provisions:

1. Diplomatic personnel, civil servants and other nationals (except those covered by paragraphs 2, 3, 4 and 5 of this Article) of either country shall hold passports issued by their own country and visaed by the

- other country. Nationals of either country entering the Tibet Autonomous Region of China or Nepal *via* a third country shall also hold passports issued by their own country and visaed by the other country.
2. Traders of either country known to be customarily and specially engaged in trade between the Tibet Autonomous Region of China and Nepal (not being those persons covered by paragraph 3 of this Article), their wives and children dependent upon them for livelihood and their attendants shall hold passports issued by their own country and visaed by the other country or other certificates issued by their own Government or its duly authorised agency.
 3. Inhabitants of the border districts of either country who proceed to the border districts of the other country to carry on petty trade, to visit friends or relatives, or for seasonal change of residence, need not have passports, visas or other certificates, but shall register at the border checkpost or the first encountered duly authorised government agency of the other country.
 4. Religious believers of either country who travel for the purpose of pilgrimage need not have passports, visas or other certificates, but shall register at the border checkpost or the first encountered duly authorised government agency of the other country and obtain permits for pilgrimage.
 5. Porters and muleteers of either country shall only hold certificates valid for a period of not more than one year issued by the local government of their own country or by its duly authorized agency and register at the border checkpost of the other country and need not have passports or visas.
 6. Border inhabitants of both countries while travelling across the border shall use the customary routes.
 7. Government officials, pilgrims and traders of both countries shall have the facility of engaging the means of transport at normal and reasonable rates.
 8. Notwithstanding the provisions of the foregoing paragraphs of this Article, either Government may refuse entry in its territory to any particular person, should it deem this necessary.
 9. Nationals of either country who enter the territory of the other country in accordance with the foregoing paragraphs of this Article may stay within the territory of the other country only after complying with the procedures specified by the other country.

Article II

The two Governments agree that pilgrimage between the Tibet Autonomous Region of China and Nepal shall be maintained, and for this purpose have agreed on the following provisions:

1. The local authorities concerned of either country shall suitably facilitate the entry into or departure from its territory of pilgrims from the other country.

2. Pilgrims of either country entering or leaving the territory of the other country shall comply with procedures specified in Article I paragraph 4 of the present Agreement.
3. The personal luggage and articles used for pilgrimage carried by pilgrims shall be exempted from duties by both Governments.

Article III

Subject to the procedures to be mutually agreed upon, the two Governments agree to make full use on a reciprocal basis of the Lhasa-Kodari and Kathmandu-Kodari Highways to develop friendly intercourse between the two countries in respect of official and trade purposes.

Article IV

In order to ensure the peaceful living and normal pursuits of either country's nationals in the territory of the other and promote the development of friendship between the two countries, the two Governments have agreed on the following:

1. The respective Governments shall protect the life, property and legitimate interests of the nationals of the other country in its territory.
2. Nationals of one country in the territory of the other shall be subject to the jurisdiction of the Government of the host country and abide by its laws and regulations, pay taxes and respect the local customs.
3. All civil and criminal cases or disputes in the territory of either country involving nationals of the other country shall be handled by the Government of the host country.

Article V

The two Governments shall encourage and support the development of trade relations between the Tibet Autonomous Region of China and Nepal. The authorities concerned of either country shall protect the legitimate interests of the traders of the other country in its territory and facilitate their business activities. The traders of either country in the territory of the other must abide by the relevant laws and regulations and shall be subject to the jurisdiction of the host country.

The two Governments should promote traditional petty trade across the border between the Tibet Autonomous Region of China and Nepal. The local authorities concerned should give facility and protection to the border inhabitants of the other country engaged in such normal petty trade based on barter.

Article VI

The Government of the People's Republic of China agrees to the establishment of a consulate-general in Lhasa by His Majesty's Government of Nepal.

His Majesty's Government of Nepal agrees to the establishment of a consulate-general in Kathmandu by the Government of the People's Republic of China.

Article VII

In order to strengthen the friendship between the local officials of the two Governments and settle in time problems arising in the intercourse between the border inhabitants of the two countries, the local officials of the border districts of the two Governments may hold meetings as and when necessary.

The rank, time, place and other matters concerning each meeting shall be decided through consultation between the local officials concerned of the two Governments themselves.

Article VIII

The present Agreement abrogates the "Agreement to Maintain the Friendly Relations between the People's Republic of China and the Kingdom of Nepal and on Trade and Intercourse between the Tibet Region of China and Nepal" of September 20, 1956 and also the letters exchanged on the same date in relation to the same Agreement.

The present Agreement shall come into force on the date of its signing and shall remain in force for a period of ten years. Amendment or extension of the present Agreement may be negotiated by the two Governments six months before its expiration, if either Government proposes to amend or extend the present Agreement and obtains the consent of the other Government.

Done in duplicate in Peking on the 2nd day of May, 1966, in the Chinese, Nepali and English languages, all texts being equally authentic.

*Plenipotentiary of the
Government of the People's
Republic of China*

*Plenipotentiary of
His Majesty's Government of
Nepal*

(Library, Ministry of External Affairs, New Delhi)

(ii) ECONOMIC CO-OPERATION**133. Economic Aid Agreement, Peking, October 7, 1956**

THE Government of the People's Republic of China and the Government of the Kingdom of Nepal, for the purposes of promoting the friendly relations between the two states and of strengthening the friendship of their peoples and on the basis of five principles of peaceful co-existence (Panch Shila), have reached an agreement the articles of which are as follows:

Article I

The People's Republic of China shall make a free grant to the Kingdom of Nepal within a period of three years as from the date of the signing and coming into force of this agreement in an amount of 60 million Indian Rupees. Of the 60 million Indian Rupees, one third shall be given by instalments in foreign exchange and two-thirds in machinery, equipment, materials and other commodities which the Kingdom of Nepal needs and the People's Republic of China can supply. The said machinery, equipment, materials and other

commodities shall be determined by further negotiations between the two governments.

Article II

The economic aid to be granted by the Government of the People's Republic of China to the Kingdom of Nepal is made without whatever conditions attached thereto and no technical personnel shall be despatched to Nepal in connection with this aid. The Government of the Kingdom of Nepal shall have entire freedom in utilizing the above-mentioned monies and goods and the Government of the People's Republic of China shall not interfere.

Article III

The organs to carry out this agreement shall be the Ministry of Foreign Trade of the People's Republic of China for the People's Republic of China and the Ministry of Planning and Development of the Kingdom of Nepal for the Kingdom of Nepal.

Article IV

This agreement shall become effective from the date of its signature.

Done and signed in Peking, on the 7th day of October, 1956 in two copies, each in the Chinese, Nepalese and English languages, all texts being equally authentic.

YEH CHI-CHUANG
Minister for foreign Trade,
for the Government of the
People's Republic of China

DAMAN SHAMSHER JANG BAHADUR RANA
Ambassador Extraordinary and
Plenipotentiary to the People's Republic
of China,

for the Government of the Kingdom of
Nepal

NOTE ON THE QUESTION OF PAYMENT IN CASH FROM
MINISTER YEH CHI-CHUANG TO AMBASSADOR DAMAN
SHAMSHER JANG BAHADUR RANA

With reference to the provision in Article I under the Agreement on Economic Aid between the Government of the People's Republic of China and the Government of the Kingdom of Nepal, the People's Republic of China shall grant in foreign exchange to the Kingdom of Nepal 20 million Indian Rupees. I have the honour to make the following suggestion:

Of the total foreign exchange under aid, 10 million Indian Rupees shall be given by the People's Republic of China in the first quarter of 1956 to 1957, the remaining 10 million Indian Rupees shall be given in the first quarter of 1957 to 1958. Kindly confirm if Your Excellency agree to the suggestion.

I avail myself of this opportunity to express to Your Excellency the assurance of my highest consideration.

AMBASSADOR DAMAN SHAMSHER JANG BAHADUR RANA'S REPLY TO MINISTER YEH CHI-CHUANG

I have the honour to acknowledge receipt of Your Excellency's note of the 7th October, 1956 which reads as follows:

"With reference to the provision in Article I under the Agreement on Economic Aid between the Government of the People's Republic of China

and the Government of the Kingdom of Nepal, the People's Republic of China shall grant in foreign exchange to the Kingdom of Nepal 20 million Indian Rupees.

I have the honour to make the following suggestion:

Of the total foreign exchange under aid, 10 million Indian Rupees shall be given by the People's Republic of China in the first quarter of 1956 to 1957, the remaining 10 million Indian Rupees shall be given in the first quarter of 1957 to 1958."

I hereby agree to Your Excellency's suggestion and avail myself of this opportunity to express to Your Excellency the assurance of my highest consideration.

NOTE ON THE QUESTION OF FOREIGN EXCHANGE FACILITIES TO BE GIVEN TO NEPALESE TRADERS IN THE TIBET REGION OF CHINA FROM AMBASSADOR DAMAN SHAMSHER JANG BAHADUR RANA TO CHANG HAN-FU, CHINESE VICE-MINISTER OF FOREIGN AFFAIRS

In your talk with me today, Your Excellency has agreed that facilities in regard to foreign exchange will be provided to Nepalese traders in the Tibet Region of China by the Government of the People's Republic of China in accordance with the regulations of the Chinese Government on foreign exchange.

I shall be very grateful to receive Your Excellency's confirmation of the above.

I avail myself of the opportunity to express to Your Excellency the assurance of my highest consideration.

CHANG HAN-FU'S REPLY TO AMBASSADOR DAMAN SHAMSHER JANG BAHADUR RANA

I have the honour to receive Your Excellency's letter of October 7, 1956, which reads:

"In your talk with me today, Your Excellency has agreed that facilities in regard to foreign exchange will be provided to Nepalese traders in the Tibet Region of China by the Government of the People's Republic of China in accordance with the regulations of the Chinese Government on foreign exchange."

On behalf of the Government of the People's Republic of China, may I write to agree to the entire contents of Your Excellency's above letter.

I avail myself of the opportunity to express to Your Excellency the assurance of my highest consideration.

(*Survey of China Mainland Press* : 1407 : November 8, 1956 : 36-38)

134. Agreement on Economic Aid, Peking, March 21, 1960

THE Government of the People's Republic of China and His Majesty's Government of Nepal, for the purpose of further promoting the friendly relations and of strengthening the economic and technical co-operation

between the two countries have, on the basis of the Five Principles of peaceful co-existence, concluded the present Agreement, the articles of which are as follows:

Article I

With a view to helping His Majesty's Government of Nepal to develop its economy, the Government of the People's Republic of China is willing to give His Majesty's Government of Nepal, within a period of three years as from the date of coming into force of the present Agreement, a free grant of economic aid without any conditions or privileges attached. The amount of the aid is 100,000,000 (one hundred million) Indian Rupees. This amount, together with the remaining 40,000,000 (forty million) Indian Rupees, provided under the Agreement between China and Nepal on Economic Aid of 1956, which has not yet been used by His Majesty's Government of Nepal, making a total of 140,000,000 (one hundred and forty million) Indian Rupees, shall be utilized by instalments during the period of validity of the present Agreement by His Majesty's Government of Nepal in accordance with the items of economic aid to be agreed upon by both sides.

Article II

The economic aid to be given by the Government of the People's Republic of China to His Majesty's Government of Nepal shall cover equipment, machinery and materials, technique and other commodities.

Article III

According to the requirement of His Majesty's Government of Nepal, the Government of the People's Republic of China is willing to supply, on the basis of the principles of economy and usefulness, equipment, machinery and materials and designs relating to the items of aid, in order to help develop the economy of the Kingdom of Nepal.

Article IV

At the request of His Majesty's Government of Nepal, the Government of the People's Republic of China agrees to dispatch a necessary number of experts and technicians to help the Kingdom of Nepal in the construction of the items of aid to be specified under the present Agreement. The travelling expenses of the Chinese experts and technicians to the Kingdom of Nepal and back to China and their salaries during their period of work in the Kingdom of Nepal shall be borne by the Government of the People's Republic of China; the living expenses of the Chinese experts and technicians during their period of work in the Kingdom of Nepal shall be paid from the amount of the aid, with their standard of living not exceeding that of personnel of the same level in the Kingdom of Nepal.

At the request of His Majesty's Government of Nepal, the Government of the People's Republic of China agrees to accept trainees dispatched by His Majesty's Government of Nepal to learn technical skill in China. The expenses of the trainees shall be paid from the amount of the aid.

Article V

The items of aid to be given by the Government of the People's Republic of China to His Majesty's Government of Nepal and the methods of their

implementation, in accordance with Article II of the present Agreement shall be discussed and decided upon separately in a protocol to be concluded by the representatives to be appointed by the two Governments.

Article VI

The organs to carry out the present Agreement shall be the Ministry of Foreign Trade of the People's Republic of China for the People's Republic of China, and the Ministry of Finance of His Majesty's Government of Nepal for Nepal.

Article VII

The present Agreement will come into force on the date of its signing and remain in force for a period of three years. At the expiry of the present Agreement, if the amount of the aid is not yet used up, the period of validity of the present Agreement may be extended by agreement of the two Governments¹.

Done in duplicate in Peking on the twenty-first day of March, 1960, in the Chinese, Nepalese and English languages, all texts being equally authentic.

CHOU EN-LAI

*Plenipotentiary of the Government
of the People's Republic of
China*

B. P. KOIRALA

*Plenipotentiary of His
Majesty's Government
of Nepal*

(*Peking Review*: III (13): March 29, 1960: 10)

135. Protocol to the Agreement on Economic Aid, Kathmandu, September, 1961

His Majesty's Government of Nepal and the Government of the People's Republic of China have, in accordance with the Agreement on Economic Aid signed between the two Parties on the 21st March, 1960 in Peking, concluded the present Protocol, the articles of which are as follows:

Article I

The name, capacity, design and delivery time of the equipments of the items of economic construction to be provided by the Government of the People's Republic of China to His Majesty's Government of Nepal shall be as per the Annexe hereto, which forms a part of this Protocol.

Article II

The expenditures for the designs, equipments, machinery, materials and technique etc. to be provided by the Chinese side under the items of economic construction as specified in the Annexe to this Protocol shall be paid from the amount of aid stipulated in Article I of the Agreement on Economic Aid.

¹The validity of the Agreement was extended till 1968, as the aid could not be utilized within the stipulated period.

Article III

In accordance with this Protocol, the scope of aid given by China to Nepal in respect of designs, equipments, machinery, materials and technique is as follows:

1. To make the civil engineering and technological designs for various items of economic construction as per the designing and projecting orders approved and the basic data for designing given by the Nepalese side;
2. To supply complete plants (inclusive of both main and auxiliary equipments) of various items and those special installation machines and instruments, building machines and materials, which cannot be procured in the Kingdom of Nepal;
3. To dispatch a necessary number of experts and technical personnel as agreed by both Parties to the Kingdom of Nepal to carry out, for the relevant item, the works of surveying and prospecting, collecting basic data for design, selecting site, and conducting civil engineering construction, installation of equipments and trial operation; and
4. To accept a necessary number of technical personnel and workers to be dispatched by the Kingdom of Nepal to China for practical [and] technical training in production in the relevant enterprises. Details of the dispatch of trainees and training matters shall be stipulated in a contract to be signed by the organs concerned of both Parties.

Article IV

The delivery terms of the equipments, machinery, materials and general commodities to be supplied by the People's Republic of China to the Kingdom of Nepal in accordance with this Protocol shall be *C.I.F.* Calcutta, India.

All the taxes and duties leviable on the above-mentioned equipments, machinery and materials within the territories of India and Nepal shall be paid by the Nepalese side. The prices of complete plants, machinery, materials and general commodities to be supplied by the People's Republic of China to the Kingdom of Nepal shall be fixed in contracts to be signed between the organs concerned of both Parties and shall be calculated in Indian Rupees.

Article V

The dispatch of Chinese experts and technical personnel, and the working conditions during their stay in the Kingdom of Nepal shall be arranged in accordance with the Letters relating to the working conditions for experts and technical personnel exchanged between the two Parties on the 5th September, 1961 in Kathmandu.

Article VI

The entering of account in respect to the utilization of economic aid shall be discussed and fixed separately by the People's Bank of China and the Nepal Rastra Bank.

Article VII

The present Protocol shall come into force from the date of its signing.

Done in duplicate in Kathmandu on the 5th day of September, 1961 in the Nepalese, Chinese and English languages, all three texts being equally authentic.

RISHIKESH SHAHA

*Representative of His Majesty's
Government of Nepal*

CHANG SHI-CHIEH

*Representative of the Government of
the People's Republic of China*

ANNEXE TO THE PROTOCOL TO THE AGREEMENT

On Economic Aid between His Majesty's Government of Nepal and the Government of the People's Republic of China

ITEMS OF ECONOMIC CONSTRUCTION¹

I CEMENT FACTORY.

- (Including the mine, transport line from the mine to the factory site and the houses for staffs and workers)

Capacity: 50,000 tons of cement per annum.

Product: Ordinary silicate cement.

Location: Hetaura.

Designing Period: Period for enlarged preliminary design: 8 months from the date of receipt of the designing and projecting order and all the basic data for designing from the Nepalese side.

Period for Design of Working Drawings: 18 months from the date of receipt of the written approval by the Nepalese side on the enlarged preliminary design.

Delivery time of equipments: 12 to 18 months in lots.

II POWER.

The electric power required for the cement factory at Hetaura shall be supplied by His Majesty's Government of Nepal.

¹ In April 1964, China dropped the plans to put up a cement and a pulp and paper factory in Nepal on technical grounds and instead undertook to construct a 170-Km road constituting the Najakpur-Biratnagar section of the East-West highway in Nepal Tarai bordering India, and a brick and tiles factory in Kathmandu besides several warehouses. Again during the visit to Peking of Mr. S. B. Thapa, Vice-Chairman of the Council of Ministers in November 1964, China agreed to help Nepal in the construction of Rs. 175,00,000 (NC)-Kamala irrigation project by pledging aid for the erection of a barrage on the river Kamala which strictly speaking is an Indo-Nepalese river.

In 1965 China was obliged to withdraw from the Kamala project and the East-West highway project. When in August 1965 the Nepalese Foreign Minister Mr. Kirtinidhi Bist visited China, China committed to construct a 220-Km stretch of road from Kathmandu to Pokhara at a cost of \$ 45 million as a Chinese gift to Nepal, besides construction of several hydro-electric plants for Nepal at a cost of \$ 75 million to be built exclusively with Chinese aid.

III PULP AND PAPER FACTORY.

(Including houses for staffs and workers)

Capacity: 20 tons of paper per day.

Products: Writing paper, printing paper and newsprint.

Location: Napalgunj.

Designing Period: Period for enlarged preliminary design: 8 months from the date of receipt of the designing and projecting order and all the basic data for designing from the Nepalese side.

Period for Design of Working Drawings : 12 months from the date of receipt of the written approval by the Nepalese side on the enlarged preliminary design.

Delivery time of equipments: 12 to 24 months in lots.

IV POWER PLANT FOR PAPER FACTORY.

Whether a thermo-power plant or a hydraulic power plant is to be set up shall be determined according to practical conditions after survey and investigation.

V SMALL-SCALE LEATHER AND SHOE FACTORY.

The location and capacity, etc. shall be decided upon after investigation.

- Note:* 1. In case the period for examination and approval of the above-mentioned items are prolonged, the periods for other designs and delivery time of equipments shall be postponed accordingly.
2. The various works of the items mentioned above shall be executed in stages according to actual conditions.

(*News from Nepal* : II(5) : September 16, 1961 : 5-7, 13)

136. Agreement on Economic Co-operation, Kathmandu, December 21, 1966

His Majesty's Government of Nepal and the Government of the People's Republic of China, being motivated by the desire of further promoting and strengthening the friendly relations and the economic and technical co-operation between the two countries have, through friendly discussions, reached an agreement as follows:

Article I

With a view to helping His Majesty's Government of Nepal to develop its economy, the Government of the People's Republic of China agrees to provide His Majesty's Government of Nepal, within the period from December 21, 1966 to December 31, 1970, a free grant of aid without any conditions attached. The amount of the aid shall be 150,000,000 (one hundred and fifty million) Nepali Rupees¹.

¹ The offer of aid was made on July 7, 1966, towards the end of Crown Prince Birendra's visit to China.

Article II

The aid amount mentioned in Article I shall be provided in instalments in the form of complete sets of equipment according to the capability of the Government of the People's Republic of China and the requirements of His Majesty's Government of Nepal. The specific items shall be discussed and decided upon separately by the respective representatives to be appointed by the two Governments.

Article III

At the invitation of His Majesty's Government of Nepal, the Government of the People's Republic of China shall dispatch experts and technical personnel to the Kingdom of Nepal to render technical assistance. Their living expenses and facilities and working conditions shall be covered by the related notes exchanged on September 5, 1961 between the two Governments.

Article IV

The People's Bank of China and the Nepal Rastra Bank shall make an arrangement to establish the technical procedure for the smooth implementation of this Agreement.

Article V

This Agreement shall come into force from the date of its signing.

Done in duplicate in Kathmandu on December 21, 1966 in the Nepalese, Chinese and English languages, all the texts being equally authentic.

(Letter of Mr. Y. P. Pant to the Chinese Ambassador in Nepal)

DECEMBER 21, 1966

Dear Mr. Ambassador,

I have the honour to refer to the following agreement reached through friendly consultation between our two sides:

1. "In the light of the proposal made by His Majesty's Government of Nepal, the Government of the People's Republic of China agree to provide to His Majesty's Government of Nepal 15,000,000 (fifteen million) Nepali Rupees in cash out of the aid amount as stipulated in Article I of the Sino-Nepalese Agreement on Economic and Technical Co-operation signed on the 21st day of December 1966. The cash mentioned above shall be given by the People's Bank of China in four instalments, one-fourth of the amount each, within the period from January 1, 1967 to December 31, 1968.
2. The Government of the People's Republic of China agrees to provide to His Majesty's Government of Nepal 27,000,000 (twenty-seven million) Nepali Rupees in commodities, out of the amount as stipulated in the aforesaid Agreement, to meet the local expenses necessary for the items of economic construction under aid from China to Nepal, and

transportation charges, within the Indian and Nepalese territories, of the equipments, machinery and materials to be supplied by China to Nepal. The said commodities shall be supplied year by year, in lots and instalments in accordance with the amount of local expenses required in the progress of the construction of items under aid from China, and shall be sold by the Nepalese side who shall arrange the payment for the above mentioned local expenses. The annually required kinds of commodities, their specifications, quantities and prices shall be discussed and decided upon year by year by both parties.”

I wish to request your Excellency to kindly confirm the above.

Please accept, Your Excellency, the assurances of my highest consideration.

Y. P. PANT

Secretary to His Majesty's Government

HIS EXCELLENCY MR. YANG KUNG-SU,
*Ambassador Extraordinary and Plenipotentiary
of the People's Republic of China to the
Kingdom of Nepal*

(Library, Ministry of External Affairs, New Delhi)

KATHMANDU-KODARI ROAD

137. Speech of Mr. Chou En-lai at a reception hosted by the Nepalese Chamber of Commerce (Lhasa), Kathmandu, April 26, 1960 (Excerpts)

PREMIER Chou En-lai said that China and Nepal had cultural and commercial intercourse since ancient times and that now the economic and trade intercourse between the two countries should undergo ever greater development not only between Nepal and the Tibet region of China but on a still greater scale. Though there lay high mountains between the two countries, particularly between Nepal and the Tibet region of China, the Chinese Premier added, we hoped that there are yet possibilities to establish direct traffic contact¹.

(Survey of China Mainland Press : 2249 : May 3, 1960 : 47)

¹ Originally the proposal for such a road had come from the Nepalese business circles. In 1956, when negotiations between Nepal and China were proposed to be held on the revision of Nepal-Tibet Treaty of 1856, the Nepalese Businessmen's Association of Tibet had submitted a ten-point memorandum to the Nepalese Government for the promotion of trade between Nepal and Tibet for consideration during the treaty negotiations. Point 3 of the ten-point memorandum said: Kathmandu and Lhasa should be linked by a proper road to facilitate and improve trade between the two cities. Then in January 1957 during Chou En-lai's first visit to Nepal, the Nepalese Traders at a reception to the Chinese Premier expressed the desire that the old trade route connecting Nepal and Tibet be improved. On January 29, 1957 at a Press conference Mr. Chou En-lai when questioned about the possibility of linking up Kathmandu with Lhasa by air or road said: this was a good idea but it would take time and technical difficulties would have to be overcome. The Chinese response thus was not very enthusiastic. But the Nepalese appeared quite keen about it; Mr. Tanka Prasad Acharya, the Nepalese Premier allotted Rs. 50,000 for this road which was named Mahendra Rajpath. The construction work was taken up during Dr. K. I. Singh's Premiership without any proper survey or alignment but not much progress could be made. The present proposal of Mr. Chou En-lai was, on the contrary, received coolly by the Nepalese. Mr. B. P. Koirala, the Nepalese Premier said such road had no economic justification and added: "we do not build roads for strategic reasons".

138. Highway Construction Agreement, Peking, October 15, 1961

THE Government of the People's Republic of China and His Majesty's Government of Nepal, in pursuance of the Treaty of Peace and Friendship between the two countries and for the purpose of further developing the friendly relations and economic intercourse between them, have agreed to construct a highway from the Tibet Region of the People's Republic of China to Kathmandu of the Kingdom of Nepal and have concluded the present Agreement, the articles of which are as follows:

Article I

The Government of the People's Republic of China shall be responsible for constructing the section of the highway from the Tibet Region of the People's Republic of China to Kathmandu of the Kingdom of Nepal, which is within Chinese territory, and His Majesty's Government of Nepal shall be responsible for constructing the section which is within Nepalese territory.

At the request of His Majesty's Government of Nepal, the Government of the People's Republic of China shall, within the period from July 1, 1962 to June 30, 1966, grant economic aid in instalments to His Majesty's Government of Nepal without compensation and without any conditions or privileges attached for use in constructing the section of the highway which is within Nepalese territory. The amount of the aid is 3,500,000 pounds sterling.

Article II

Within the amount of the above aid, the Government of the People's Republic of China shall supply His Majesty's Government of Nepal with assistance including the following:

1. Sending of experts and technicians, and the supply of technical assistance;
2. Supply of the necessary machines and materials for the construction of the highway;
3. Assistance in the training of technicians and skilled workers of the Kingdom of Nepal.

Article III

The arrangements accorded to the experts and technicians dispatched by the People's Republic of China to the Kingdom of Nepal and of the trainees sent by the Kingdom of Nepal to the People's Republic of China shall be made in accordance with Article 4 of the Agreement on Economic Aid between the Government of the People's Republic of China and His Majesty's Government of Nepal signed in Peking on March 21, 1960.

Article IV

After on-the-spot surveys have been conducted by experts dispatched by the People's Republic of China, the two governments shall designate representatives to discuss and decide on the route of the above highway, its construction programme and method of concrete implementation, and the instalment drawings on the aid, and sign a relevant protocol.

Article V

This agreement shall come into force on the date of its signing.

Done in duplicate in Peking on the 15th day of October, 1961, in the Chinese, Nepalese and English languages, all three texts being equally authentic.

CHEN YI

*Plenipotentiary of the People's
Republic of China*

TULSI GIRI

*Plenipotentiary of His Majesty's
Government of Nepal*

(Survey of China Mainland Press : 2611 : November 2, 1961 : 32-33)

**139. Press conference of Mr. Rishikesh Shaha, Kathmandu, July 17, 1962
(Excerpts)**

Kathmandu-Kodari Road

DWELLING on the utility of the Kathmandu-Kodari Road the Minister said, "We have always had physical link between our two neighbours not only in the domain of thought, but also in that of trade and communications. Considered in this light and perspective, the furore over the Kathmandu-Kodari Road in a section of the Indian Press appears to be meaningless. Let us not forget that Nepal had in the past served as a sort of entrepot for trade between Hindustan on the one hand and Central Asia on the other. The proposed Kathmandu-Kodari Road is no more than the revival of the old trade-route between Kathmandu and Lhasa, which trade and commerce had been deserted after the opening of Kalimpong-Lhasa route in the wake of Col. Younghusband's military expedition to Lhasa in 1904. This road will not and cannot deflect the age-old pattern of trade between India and Nepal and can only serve to facilitate the existing local trade and transit between Nepal and Tibet, in addition to giving us an outlet to the North also. Roads, in our simple understanding, are always economic measures and we cannot certainly view them as military measures conducive to one party only. Growing points of contact with the outside world in response to the demand of the time should be well understood and appreciated. We are merely establishing a relationship which, in actual practice, conforms more to the standard of equality and freedom for every sovereign nation within the framework of increased international co-operation and harmony envisaged in the principles of the United Nations."

(Nepal News : I (23) : July 22, 1962 : 6)

D. Sino-Nepalese Boundary

140. Press conference of Mr. B. P. Koirala, Kathmandu, August 11, 1959 (Excerpts)

ADDRESSING a news conference...the Prime Minister, Mr. B. P. Koirala, said that Nepal could no longer afford to ignore the defence of her 500-mile-long northern border.

Before the situation changed in Tibet (he was evidently referring to the changes brought about by the advent of the Chinese there), he said, the northern border did not pose any problem "even from the defence point of view." "Tibet paid us a tribute and we enjoyed extra-territorial concessions there. Historically speaking, we had some suzerainty over Tibet."

* * * * *

He declared: "We have now to look after two frontiers".¹

He added that the defence of the north would cost more than that of the southern frontier with India. The army personnel had to be paid special high-altitude allowance and they had to be specially equipped to withstand the rigours of the climate at high altitudes.

(*Asian Recorder* : V (34) : 1959 : 2843-44)

141. Boundary Agreement, Peking, March 21, 1960

THE Government of the People's Republic of China and His Majesty's Government of Nepal have noted with satisfaction that the two countries have always respected the existing traditional customary boundary line and lived in amity. With a view to bringing about the formal settlement of some existing discrepancies² in the boundary line between the two countries and the scientific delineation and formal demarcation of the whole boundary line, and to consolidating and further developing friendly relations between the two countries, the two Governments have decided to conclude the present

¹ On October 1, 1959 Mr. Koirala told the Nepalese *Pratinidhi Sabha* that the boundary between Nepal and Tibet was "already determined" but admitted that there were differences in respect of certain regions. Later, on October 4, 1959 Mr. Koirala admitted at a Press conference in Kathmandu that there were long-standing border disputes between Nepal and Tibet—some of century old, but claims and counter-claims for territories had not been reiterated and added "According to our Treaty with China we have agreed to accept the traditional border."

² Mr. B. P. Koirala told a news conference in Hong Kong on March 25, 1960, that only a few miles of territory were in question. There was no border dispute as such but for 50 or 60 years there had been differences between Nepal and China over some areas.

Agreement under the guidance of the Five Principles of peaceful co-existence and have agreed upon the following:

Article I

The Contracting Parties have agreed that the entire boundary between the two countries shall be scientifically delineated and formally demarcated through friendly consultations, on the basis of the existing traditional customary line.

Article II

In order to determine the specific alignment of the boundary line and to enable the fixing of the boundary between the two countries in legal form, the Contracting Parties have decided to set up a Joint Committee composed of an equal number of delegates from each side and enjoin the Committee, in accordance with the provisions of Article III of the present Agreement, to discuss and solve the concrete problems concerning the Sino-Nepalese boundary, conduct survey of the boundary, erect boundary markers, and draft a Sino-Nepalese boundary treaty. The Joint Committee will hold its meetings in the capitals or other places of China and Nepal.

Article III

Having studied the delineation of the boundary line between the two countries as shown on the maps mutually exchanged (for the map submitted by the Chinese side, see attached Map 1; for the map submitted by the Nepalese side, see attached Map 2)¹,... and the information furnished by each side about its actual jurisdiction over the area bordering on the other country, the Contracting Parties deem that, except for discrepancies in certain sections, their understanding of the traditional customary line is basically the same. The Contracting Parties have decided to determine concretely the boundary between the two countries in the following ways in accordance with three different cases:

1. Sections where the delineation of the boundary line between the two countries on the maps of the two sides is identical:

In these sections the boundary line shall be fixed according to the identical delineation on the maps of the two sides. The Joint Committee will send out joint survey teams composed of an equal number of persons from each side to conduct survey on the spot and erect boundary markers.

After the boundary line in these sections is fixed in accordance with the provisions of the above paragraph, the territory north of the line will conclusively belong to China, while the territory south of the line will conclusively belong to Nepal, and neither Contracting Party will any longer lay claim to certain areas within the territory of the other Party.

2. Sections where the delineation of the boundary line between the two countries on the maps of the two sides is not identical, whereas the state of actual jurisdiction by each side is undisputed:

¹ Maps not reproduced here.

The Joint Committee will send out joint survey teams composed of an equal number of persons from each side to conduct survey on the spot, determine the boundary line and erect boundary markers in these sections in accordance with concrete terrain features (watersheds, valleys, passes, etc.) and the actual jurisdiction by each side.

3. Sections where the delineation of the boundary line between the two countries on the maps of the two sides is not identical and the two sides differ in their understanding of the state of actual jurisdiction:

The Joint Committee will send out joint teams composed of an equal number of persons from each side to ascertain on the spot the state of actual jurisdiction in these sections, make adjustments in accordance with the principles of equality, mutual benefit, friendship and mutual accommodation, determine the boundary line and erect boundary markers in these sections.

Article IV

The Contracting Parties have decided that, in order to ensure tranquillity and friendliness on the border, each side will no longer dispatch armed personnel to patrol the area on its side within twenty kilometres of the border, but only maintain its administrative personnel and civil police there.

Article V

The present Agreement is subject to ratification and the instruments of ratification shall be exchanged in Kathmandu as soon as possible.

The present Agreement will come into force immediately on the exchange of the instruments of ratification¹ and will automatically cease to be in force when the Sino-Nepalese boundary treaty to be signed by the two Governments comes into force.

Done in duplicate in Peking on the twenty-first day of March, 1960, in the Chinese, Nepalese and English language, all texts being equally authentic.

CHOU EN-LAI

*Plenipotentiary of the Government of the
People's Republic of China*

B. P. KOIRALA

*Plenipotentiary of His Majesty's
Government of Nepal*

(Peking Review : III (13) : March 29, 1960 : 8-9)

142. Press conference of Mr. B. P. Koirala, Kathmandu, April 4, 1960 (Excerpts)

THE Prime Minister, Mr. B. P. Koirala, told newsmen in Kathmandu . . . that China had claimed that Mount Everest belonged to her, but that Nepal had refused to entertain the claim.

He added that there had been some minor border disputes, but the claim on Everest was a new one and was made during his recent visit to Peking. Since Mr. Koirala had summarily rejected it, there was no discussion on it at that time. The extent of the claim is not known.

¹ The instruments of ratification were exchanged in April, 1960 at Kathmandu during the visit of Mr. Chou En-lai to Nepal.

Mr. Koirala said that the Chinese claim might be discussed during Mr. Chou En-lai's visit to Kathmandu beginning on April 26.

He hoped that this claim as also other border disputes would be amicably settled through the machinery devised by the two Premiers in their recent Border Agreement for the delineation of the 500-mile-long border.

He said: "The Chinese said that Everest is a British name, and that there is no word for it in Nepalese though the Tibetan name, Chomolungma, has existed since long. I said the Nepalese name for it was Sagarmatha. The Chinese thought it was of recent origin."

He said that he regarded his visit to Peking as "fully successful."

He thought that the chances of a settlement of the Sino-Indian border dispute had brightened mainly because of "the impact of international opinion in the last few months". He had not discussed the Sino-Indian border dispute with anyone in China.

Discussions on the proposed Treaty of Peace and Friendship with China would be continued during Mr. Chou En-lai's visit on April 26.

Asked about his attitude to a Non-aggression Pact with China, he said, he was not hostile to any measure calculated to ensure peace and friendship, but he thought that such a Pact in itself was no guarantee of security. "I do not envisage any threat to Nepal from China but if Nepal is ever threatened from any quarter, what will save her is the fact that she will not be alone—rather than any Non-aggression Pact." In recent history, Non-aggression Pacts had been freely trampled upon.

In reply to another question, he derided any suggestion that his visit to China could have created any gulf between Nepal and India.

Referring to a Non-aggression Pact, he said that any aggression against Nepal would touch off a world war and in the event of aggression from China, Nepal would not be alone. In the present-day world, no nation, big or small, "can easily commit aggression." If it did, "the world mechanism" would be set in motion just as it did when British took military action against Egypt in 1956.

* * * * *

He said that the Agreement with China to demilitarize 20 kilometres on either side of the frontier was a definite gain to Nepal.

A correspondent asked if it was really "wise" to contract this Agreement in view of the several administrative requirements like emergencies, and he replied that although no written provisions were there, in the event of internal emergencies Nepal could send armed personnel to border areas. The Agreement applied to normal conditions.

The Border Demilitarization Agreement had been entered into with China with the object of avoiding any panic in the area. Nepal could exercise her jurisdiction even in the face of this Agreement. Moreover, he did not fear any internal emergency in the frontier area.

About the Boundary Commission proposed under the Agreement, he said that its agreed decisions would be final. There would be a one-man Commission which, in its turn, would set up several committees entrusted with specific jobs.

Asked if he was prepared to publish the Nepalese frontier maps which he presented to the Chinese Prime Minister, he said it would not be in the public interest to do so.

* * * * *

(*Asian Recorder* : VI (18) : 1960 : 3294)

143. Press conference of Mr. Chou En-lai, Kathmandu, April 28, 1960 (Excerpts)

Premier Chou En-lai: During our three-day visit in the Kingdom of Nepal, everything has been satisfactory. I do not intend to make a written statement. If you have any questions, I can answer them.

Question (Kishore Raman Rana, Chief Editor of the Nepalese paper *Kalpana*): Has Your Excellency discussed Sagar Matha (name in Nepalese language) in your talks with Prime Minister Koirala? Has China laid claim to the mountain?

Answer: We have never laid any territorial claim to Mount Jolmo Lungma (name in Tibetan language) or Sagar Matha ever since the question was raised during the talks in Peking. During the talks in Peking the two parties just exchanged maps. The delineations on the maps of the two countries are different. The Chinese maps which were drawn on the basis of Chinese historical situation show the mountain within Chinese territory, while the Nepalese maps which were drawn on the basis of Nepalese historical situation show the mountain on the boundary line between the two countries. At that time, Prime Minister Koirala made the point that Nepal had always regarded this mountain as Nepal's. Chairman Mao Tse-tung, when he received Prime Minister Koirala, expressed the view that we could follow the Nepalese delineation which shows the mountain on the boundary line, that is to say, with the northern half of the peak belonging to China and the southern half of the peak belonging to Nepal. Since Chairman Mao Tse-tung's talks with Prime Minister Koirala, our Government has all along maintained this attitude.

On my present visit to Nepal, I held talks with Prime Minister Koirala to seek a friendly solution. Prime Minister Koirala told us that historically anyone who climbed Mt. Jolmo Lungma from the south had to secure a visa from His Majesty's Government of Nepal while anyone who climbed the mountain from the north had to secure a visa from the Chinese Government. This is a fact, and we agreed to what he said. At the time, we expressed acceptance of the delineation on Nepalese maps, namely, to draw Mt. Jolmo Lungma on the boundary line. I discovered during my stay in India that the latest Indian maps likewise follow this delineation marking the so-called "Mt. Everest" (name in English language) north of the boundary line and the elevation of the peak south of the boundary line. I also discovered that maps of other foreign countries all follow this delineation. However, I would like to tell you that we do not like the name "Everest" as it was imposed on the mountain by Britain.

Question (Kishore Raman Rana): One of the six points put forth by Your Excellency Mr. Prime Minister in the written statement you issued to

pressmen in India was that the feelings of the Chinese and Indian peoples for the Himalayas should be taken into account. What does that mean specifically? For Sagar Matha stands on the China-Nepal boundary line.

Answer: My written statement in India dealt exclusively with Sino-Indian relations and did not refer to other aspects. As a matter of fact, I referred to a much broader scope in my talks with Prime Minister Nehru and with the pressmen. Prime Minister Nehru said that the Indian people had feelings towards the Himalayas. I said in reply that this was true not only of the Indian people, the Chinese people also had feelings for the Himalayas, and the peoples of Nepal, Bhutan and Sikkim all have feelings for the Himalayas, too.

* * * * *

Question (Ramesh Nath Pandey, correspondent of *Janta*, *Commoner* and *Nepal Times*): In 1956 China and Nepal already signed a treaty on the basis of the Five Principles, and now they are going to sign a new one. Does this mean that the previous treaty is no longer valid?

Answer: In 1956 China and Nepal only concluded an Agreement on Trade and Intercourse between the Tibet Region of China and Nepal. It has not become outdated but will continue to play its part. The Treaty of Peace and Friendship to be signed now is a political treaty between the two countries of a broader scope. It will bring the relations of friendly co-operation between China and Nepal to a new phase.

Question (Don Connery, correspondent of the U.S. periodicals *Time* and *Life* in Delhi): Concerning the question of Mt. Everest, have you taken a decision in the present talks? What you said just now implies that it should be evenly divided between China and Nepal. Does Nepal agree to this?

Answer: There is no question of dividing. We shall continue to conduct friendly consultations. The Mountain links up our two countries, and will not separate our two countries as you imply.

Question (Don Connery): I am asking how your talks are going?

Answer: We will continue our discussions. If peaceful co-existence is desired among nations, negotiations must be conducted to settle questions between them.

Question (S. De Roy, *Press Trust of India* correspondent in Kathmandu): You said that China is prepared to accept the Nepalese map. What is the attitude taken by Prime Minister Koirala?

* * * * *

Answer: My answer to you is that I can accept the location of Mt. Jolmo Lungma as drawn on Nepalese maps. You know that the delineation on Indian maps is also the same. (*laughter*)

Question (A. T. Chandramohan of *the Indian Express* in Kathmandu): Is there no contradiction in your statement? You said earlier that you accept the Nepalese map but now you say negotiations will continue.

Answer: As far as I am concerned, there is no contradiction. As to why there still should be negotiations, that is a matter of diplomatic relations between the two countries which I am not prepared to disclose . . .

Question (P. Chakravarti of *the Hindustan Times*): In the Sino-Nepalese Boundary Agreement, there is a clause which says that disputed questions will be referred to the Joint Committee. Will Mt. Everest be referred to that Committee?

Answer: No. My Indian friend, you cannot find any loophole on this question.

Question (Ramesh Nath Pandey): What did you mean when you said at the state banquet that for the past several thousand years the boundary between Nepal and China has never been formally surveyed and demarcated?

Answer: That is precisely what the Agreement says, our boundary needs to be scientifically delineated and demarcated. Actually, there is not much discrepancy between the delineations of the boundary by the two countries. I believe that a satisfactory solution will be certainly arrived at through discussions in the Joint Committee of the two countries. If you are interested, you can go along to watch the work of demarcating the boundary. (*laughter*)

* * * * *

Question (Henry Bradsher of AP in New Delhi): Could you tell us approximately the total number of square miles of discrepancy which are involved in the Nepalese and Chinese maps?

Answer: Very small. It is very difficult for me to tell you exactly now. Nepal is friendly with China and there is not much actual discrepancy between the two parties. If Nepal lays claim to these areas, China could give it consideration. You cannot find any loophole here.

Question (S. De Roy): When you referred to Nepalese maps, do you mean maps drawn by Nepal or presented by Nepal?

Answer: Presented by Nepal.

Question (A. T. Chandramohan): How will the Sino-Nepalese boundary be specifically delineated?

Answer: This question is easy to settle because it is basically a question of delineating scientifically and demarcating the boundary.

Question (P. Chakravarti): Do you mean that China is not opposed to turning over to Nepal those areas in which there is a discrepancy between the Chinese and Nepalese maps?

Answer: I said that consideration could be given to it. For the divergences are on the maps and not necessarily divergences in actuality. Moreover, actual divergences are very small and easy to settle.

Question (P. Chakravarti): Does this mean that China is prepared to accept the delineation on Nepalese maps?

Answer: Since there are no latitude and longitude, so surveys must be done before the boundary line can be delineated.

Question (Jim Robinson of NBC): It is reported that there is a section of the boundary between China and the Soviet Union which is also not delimited. Is this true?

Answer: There is a very small discrepancy on maps and it is very easy to settle. This gentleman doesn't have to worry. (*laughter*)

Question (K. R. Rana): Is there going to be signed a peace treaty between China and Nepal?

Answer: It is a treaty of peace and friendship. It will be signed tonight.

* * * * *

(*China Today* : 5 (23) : May 7, 1960 : 4-6)

144. Press conference of Mr. B. P. Koirala, Kathmandu, May 28, 1960 (Excerpts)

THE Nepalese Premier, Mr. B. P. Koirala, told a news conference in Kathmandu ... that the Chinese climb to the Everest¹ had not affected Nepal's stand on the mountain.

At the same time, he said, he did not see any ground to protest to Peking against the Chinese climbing Everest in view of the tradition established of climbing it from the north also.

There had been seven attempts from the north since 1921 and Nepal had never protested against them. A protest now would not mean anything. "It is too late now".

He revealed that he was in correspondence with the Chinese Prime Minister, Mr. Chou En-lai, regarding the Everest controversy.

He, however, thought that Peking was not obliged nor was expected to inform Nepal of its expedition to Everest. He had not received any communication from Peking informing him of the Chinese success.

Nepal had not been informed of this at any stage before or now.

He reiterated Nepal's stand on Everest that it belonged to Nepal and Nepal alone. But, viewed against a long-standing tradition, the Chinese climbing to the summit of Everest without any reference to Nepal did not "limit, hinder or affect our stand with regard to Everest".

He had no information if the Chinese had planted the Nepali flag on the peak².

(*Asian Recorder* : VI (26) : 1960 : 3398)

MUSTANG INCIDENT

145. (i) Statement of the Chinese Foreign Ministry, June 30, 1960

ACCORDING to foreign news agency reports of June 29, an incident took place on the Sino-Nepalese border on June 28, in which Chinese troops killed and captured personnel of the Nepalese side³. The Chinese Government

¹ NCNA reported on May 27, 1960 that three Chinese mountaineers had reached the summit of Mount Everest on May 25.

² Mr. Koirala told the Nepalese Parliament on June 2 that if the Chinese had planted their flag on Everest considering it to be the highest peak of their Fatherland, he would consider protesting to Peking.

³ According to a Nepalese Foreign Office statement, 17 of the Nepal's civil personnel had been missing after the Chinese raid on Mustang which an official spokesman described as "Unprovoked."

is deeply surprised at the news and extremely concerned over it. It has immediately instructed the authorities concerned to find out what actually happened.

Earlier, on June 26, the Chinese Government through Chinese Ambassador to India and Nepal Pan Tzu-li and the Tibet Bureau of Foreign Affairs, had notified the Nepalese Ambassador to India and China, Lieutenant General Daman Shamsheer Jung Bahadur Rana and Nepalese Consul General in Lhasa U. B. Basnyat respectively the following:

“A batch of rebel bandits are making harassment within our territory close on the Sino-Nepalese border. This not only affects local public security, but also hampers the implementation of the Sino-Nepalese Agreement on the Boundary Question. We have decided to send troops to suppress them so as to ensure tranquillity on the border between the two countries and so that Sino-Nepalese friendly relations will not be affected thereby. In the course of the suppression, our troops will strictly confine their operations within our territory and will in no case go beyond our own territory. Our side would not cross the border to pursue the rebel bandits if they should flee into Nepalese territory. When the suppression comes to an end, our troops sent for the purpose will at once withdraw from the areas within twenty kilometres on the Chinese side of the boundary. Strictly observing the stipulations of the Sino-Nepalese Boundary Agreement, our side will neither station troops nor send armed personnel for patrol in these areas.”

The Nepalese Government announced on June 28 that it had received the above notification from the Chinese Government.

On learning reports about the occurrence of an unexpected incident at the Sino-Nepalese border, instructions were at once cabled by the Chinese Government at four O'clock in the morning of June 30 to our Ambassador to India and Nepal Pan Tzu-li and the Tibet Bureau of Foreign Affairs that they respectively convey to Nepalese Ambassador to India and China Lieutenant General Rana and Nepalese Consul General in Lhasa U. B. Basnyat the following:

The Chinese Government was greatly concerned over this report and had immediately inquired local authorities about what actually happened and would inform the Nepalese Government as soon as a report is received.

At ten O'clock on June 30, Premier Chou En-lai received a message from Nepalese Prime Minister B. P. Koirala which was forwarded to him through Ambassador Pan Tzu-li by Nara Pratap Thapa, Foreign Secretary of the Nepalese Government. In the message, Prime Minister Koirala lodged a protest against the reported killing and capturing of Nepalese personnel by Chinese armed forces at the Chinese-Nepalese border, and demanded immediate release of the captured Nepalese personnel and so on.

Premier Chou En-lai at twenty-one hours on the same day sent a reply to Prime Minister Koirala, saying that the Chinese Government was greatly concerned over this news and was inquiring local authorities about what actually happened. He also indicated that if there had actually happened an unfortunate case of Nepalese being killed as mentioned in the Nepalese Prime Minister's message, the Chinese Government would express extreme regret

and if any Nepalese were indeed detained, they would of course be released speedily.

There is traditional friendship between China and Nepal. This year, through the mutual visits between the Prime Ministers of the two countries and the signing of the Sino-Nepalese Treaty of Peace and Friendship and the Sino-Nepalese Agreement on the Boundary Question, friendly relations between the two countries have entered a new stage. The Chinese Government is confident that when the truth is revealed after investigation is made of this unexpected incident on the Sino-Nepalese border, it will certainly be settled appropriately on the basis of the facts and in the spirit of friendship between the two countries. The scheme of the imperialists and foreign reactionaries to make use of this incident to spread slanders, sow discord between China and Nepal and whip up once more an anti-Chinese campaign will never succeed.

(*China Today* : 5(32) : July 8, 1960 : 4-5)

(ii) Letter of Mr. Chou En-lai to Mr. B. P. Koirala, July 30, 1960

YOUR Excellency, respected and dear Prime Minister,

Your Excellency's letter of June 29, 1960 reached me at 10 a.m. on June 30. Before I received Your Excellency's letter, we had already learnt from foreign despatches the news that there had occurred on Sino-Nepalese border the killing of a Nepalese national by Chinese troops.

The Chinese Government is much concerned about this and has immediately contacted the local authorities for finding out the truth of this matter.

The Government of Nepal will be immediately informed as soon as a report is received.

If the unfortunate incident of the killing of a Nepalese national referred to in Your Excellency's letter is true, the Chinese Government will express its deep regret. If it has actually happened that any Nepalese nationals have been detained, they will of course be released expeditiously.

With my highest regards,

CHOU EN-LAI

(*Asian Recorder* : VI(30) 1960 : 3450)

(iii) Statement of Mr. S. P. Upadhyaya in the Senate, July 1, 1960
(Excerpts)

THE Home Minister, Mr. S. P. Upadhyaya, told the Senate that the Government had received a report that the Chief of Mustang had fled the territory after the Chinese attack on June 28 and that the people, in panic, were fleeing to the south.

He said that the Government had decided to strengthen the border defences as it felt that no friendship was greater than “our independence and for the sake of friendship we cannot sacrifice our independence”. The firing on and killing of Nepalese and violation of Nepalese territory had been the Chinese reply to “our Friendship and Peace Treaty”.

He added that Nepal had known about the Chinese military build-up on her border and near it. The Government had received reports about it from time to time and was all the time taking the necessary steps and had drawn China’s attention to these reports. “Every time we did that, the Chinese assured us that the Chinese troops would never cross into Nepal and always stressed their friendship for Nepal. When the Prime Minister, Mr. B. P. Koirala, visited Peking earlier this year, he had also talked about this build-up with Mr. Chou En-lai and the latter had given the same assurance. Then, Mr. Chou En-lai came to Kathmandu in April, 1960, and again this issue was discussed with him, and again the same assurance was given. And so, foreign bullets were fired upon unarmed Nepalese and killed one of them”.

He refuted the propaganda that the reports of the Chinese attack had come from “Indian check-posts”.

He made it “absolutely clear once more” that there were no Indian check-posts in Nepal; all the check-posts were Nepalese and reports of the incident came from Nepalese check-posts in Nepalese code. There might be Indian technicians working on the radio-communication system at the check-posts, just as there were foreign technicians and experts in other departments of the Government of Nepal.

He warned “certain elements in the country” against acts “that might be treason”. There might be some elements in the country who would under-rate the incident but he would warn them that his Government would not tolerate such “treason”.

He declared that Nepal demanded every satisfaction and reserved the right to claim compensation, the return of the body of the Nepalese official killed and those captured by Chinese.

He said that his report was that the 17 captured Nepalese and their horses had been taken to the Brahmaputra Headquarters of the Chinese Army. The body of the Subedar (officer) killed had been dragged to the Tibetan side of the border.

(Asian Recorder : VI(30) 1960 : 3450)

(iv) Letter of Mr. Chou En-lai to Mr. B. P. Koirala, July 2, 1960

Dear Mr. Prime Minister,

I suppose Your Excellency has received my reply message of June 30. The Chinese Government has now received a report from the frontier guards in the ARI district of China’s Tibet Region on the recent incident on the

Sino-Nepal border. The course of the incident was as follows:

At 16.45 hours on June 28 a unit of the Chinese People's Liberation Army suppressing Tibetan rebel bandits within our territory near the Sino-Nepal boundary discovered, at about one kilometre north of the Kore Pass, a group of men with horses advancing towards it. Mistaking them for Tibetan rebel bandits, the Chinese troops fired, killing one man, and captured ten¹ (one of whom was wounded). It was then found that they were not Tibet's rebel bandits but were Nepalese. It can be seen from the above factual account that this was an unfortunate incident resulting entirely from misunderstanding.

This incident occurred at a point north of the Kore Pass, but not in the Mustang Area. According to the maps, exchanged between the Chinese and Nepal side in March this year, the Kore Pass lies to the north of the Sino-Nepal traditional boundary line. Therefore, the place of the incident is clearly within Chinese territory, and Chinese troops have not entered territory of the Kingdom of Nepal. Nevertheless this unexpected, unfortunate incident was due to carelessness on the part of certain low ranking personnel of Chinese troops. The Chinese Government expresses deep regret at this, apologizes to His Majesty's Government of Nepal and condoles on the unfortunate death. The Chinese Government has already instructed the troops in the locality to look at once into responsibility for the incident and to escort the 10 Nepalese personnel detained and send the dead body, together with the horses of these Nepalese personnel and all the articles taken along by them to Manipuri, 150 metres south-east of the Kore Pass at 1200 hours, Peking time on July 4. It is requested that the Nepalese side will send responsible personnel there at that time to take them back. The Chinese Government is also willing to accept compensation demand made by the Nepalese side.

Your Excellency, Mr. Prime Minister, this incident is indeed unfortunate. Yet I am deeply convinced that the profound friendship between China and Nepal will by no means be affected by this unexpected incident. In view of the occurrence of this unexpected incident and in order to avoid the recurrence of misunderstanding on the Sino-Nepalese border, the Chinese Government has ordered Chinese troops in suppressing Tibet rebel bandits not to enter areas within ten kilometres on the Chinese side of the boundary². And the Chinese troops will withdraw on the areas within 20 kilometres on the Chinese side of boundary as soon as the task of suppressing the bandits has concluded. Should the Tibetan rebel bandits flee into Nepalese territory during this period of time, the Chinese Government hope that the Nepalese side will send troops to disarm them. This would greatly conduce to ensuring tranquillity along the border between the two countries.

Before concluding this letter I would like to assure Your Excellency that China holds very dear its friendship with Nepal and will continue to make

¹ Other members of the 17-man Nepalese Party having fled from Mustang reported back to border outposts.

² On July 3, Chou En-lai informed B. P. Koirala that the Chinese troops engaged in suppressing Tibetan rebels along the Nepal-Tibet border "have all pulled out to beyond ten kilometres from the border line."

incessant efforts, as it did before, to maintain and develop the traditional friendly relations between our two countries. I avail myself of this opportunity to renew to Your Excellency assurances of my highest consideration.

CHOU EN-LAI

*Premier of the State Council of the
People's Republic of China.*

(The Commoner : July 4, 1967 : 8)

- (v) Letter of Mr. B. P. Koirala to Mr. Chou En-lai, July 6, 1960
(Excerpts)

IN his reply to Mr. Chou En-lai Mr. Koirala strongly protested against Chinese violation of the Sino-Nepal Border Agreement concluded in March, 1960 and demanded that Chinese troops should immediately withdraw from the demilitarized zone.

The letter referred to Nepal Government's serious concern over the reported Chinese military build-up in the demilitarized zone in contravention of the Border Agreement, where it was clearly laid down that no armed forces would be deployed within 20 kilometres of the Nepal-Tibet frontier and that no military patrols would be undertaken.

While appreciating the tone of the letters from Mr. Chou En-lai offering apologies for the Mustang incident, the letter said that there was absolutely no justification for the Chinese entry into the demilitarized zone without prior consent.

It re-affirmed Nepal's strict adherence to the Border Agreement and asked China also to scrupulously comply with its terms.

It rejected once again China's contention that the incident of June 28 resulting in the death of one Nepali and capture of ten others, took place within Chinese territory. This, it said, happened well within Nepal territory.

(Asian Recorder : VI(30) : 1960 : 3450)

- (vi) Letters exchanged between Mr. Chou En-lai and Mr. B. P. Koirala, July 12 and July 24, 1960

(MR. CHOU EN-LAI'S LETTER)

Your Excellency Dear Mr. Prime Minister,

Your Excellency's two messages dated July 7 have been received. In your message, Your Excellency made a demand for compensation to the value of Rs. 50,000 for the losses incurred by the Nepalese side in the recent incident on the Sino-Nepalese border. The Chinese Government accepts this demand, and will remit the sum to His Majesty's Government of Nepal in the immediate future.

The Chinese Government is glad to note that, because both sides have taken an attitude of friendship and understanding, this unfortunate incident

has been dealt with promptly and satisfactorily, and those who by every means sought a chance to undermine friendship between our two countries have failed to attain their sinister objective.

Your Excellency has in your message once again referred to the question of the place where this unfortunate incident occurred. I would like to reiterate to Your Excellency that the Chinese Government has confirmed, through repeated investigations, including on-the-spot investigations, that the Chinese troops engaged in suppressing rebel bandits operated in Chinese territory north of the Sino-Nepalese boundary and that this unfortunate incident in fact occurred at a place about one kilometre north of the Kore Pass within Chinese territory. Now, since the matter has concluded and Chinese Government has borne its due responsibility for the incident, I believe Your Excellency will surely agree that it would be meaningless and unprofitable for the two sides to continue to argue over the place of the incident.

As regards the entry of Chinese in areas close to the Sino-Nepalese boundary to suppress Tibetan rebel bandits, it was notified to His Majesty's Government of Nepal beforehand on June 26 by the Chinese Government. In the notification, the Chinese Government specially emphasized that the Chinese troops would by no means cross the boundary to pursue the rebel bandits and that as soon as the task of suppressing them was completed, the Chinese troops would withdraw from the areas within twenty kilometres on the Chinese side of the boundary. This fully shows that the Chinese Government respects the Agreement on the Boundary Question and attaches great importance to Sino-Nepalese friendship. His Majesty's Government of Nepal announced on June 28 that it had received the above-mentioned notification of the Chinese Government which was given rather late, only one day remove from the day the Chinese troops began their suppressing operations. His Majesty's Government of Nepal was faced with difficulties and could not in time issue orders to make necessary arrangements in the areas on the Nepalese side of the boundary. This should be deemed a shortcoming.

In messages of July 2 and 4, I informed Your Excellency that, in order to avoid the recurrence of misunderstandings on the Sino-Nepalese border, the Chinese Government had ordered Chinese troops, in suppressing Tibetan rebel bandits, not to enter areas within ten kilometres on the Chinese side of the boundary. It is estimated that the work of suppressing the bandits would conclude at the end of July when all Chinese troops would be withdrawn from the areas within twenty kilometres on the Chinese side of the boundary. I note with pleasure that Your Excellency assured me in your message that armed Tibetan rebel bandits entering Nepalese territory had been and would always be dealt with according to international law. I am convinced that, with the elimination of Tibetan rebel bandits along the Sino-Nepalese border, tranquillity along the border between our two countries will be ensured and the Agreement between our two countries on the boundary question smoothly implemented.

In the course of dealing with this unfortunate incident, I have felt deeply the urgent necessity of establishing quick means of communication between our two countries and finally determining and demarcating the boundary between our two countries.

I therefore propose that our two Governments establish embassies in each other's capital at an early date and set up direct telecommunication contact between our two countries through the reciprocal installation of wireless stations. I further propose that the Sino-Nepalese Joint Boundary Committee start its work at an early date so as to effect the final determination of the boundary between our two countries in accordance with the Agreement on the Boundary Question. I sincerely hope that the recent unfortunate incident will be a mere episode in the relations between our two countries and soon become a thing of the past, and that the two Governments will find positive way to safeguard and strengthen friendly relations between the two countries. Your Excellency can rest assure that every effort made by His Majesty's Government of Nepal in this regard will obtain the full co-operation of the Chinese Government.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

CHOU EN-LAI

*Premier of the State Council of
the People's Republic of China*

July 12, 1960

(MR. B. P. KOIRALA'S REPLY)

Your Excellency My dear Prime Minister,

It gives me much pleasure to acknowledge receipt of Your Excellency's letter of July 12, 1960, the contents of which have had my thorough and careful perusal.

In the first place I want to express my thanks for the promptitude of the Chinese Government in remitting a sum of Rs. 50,000 which we demanded as a token compensation for the material damages caused by the border accident (sic) in the Mustang Area. His Majesty's Government of Nepal appreciates this readiness in paying reparation as evidence of your desire to maintain and further consolidate the friendship between our two countries.

As regards the place of incident it appears that the views of our two sides are at variance. But when I consider that the Chinese Government have stated that the incident has taken place on account of the carelessness of low ranking personnel of the Chinese Army and that Chinese Government have borne their responsibility, I agree with your view that it would not serve any gainful purpose to continue arguing over the incident. I want to place on record however that nothing has given His Majesty's Government reason to change their stand that the incident took place on Nepalese territory¹.

In Your Excellency's letter reference is made to the notification to His Majesty's Government of June 26th concerning the entry of Chinese troops within an area of 20 kilometres from the border.

¹ In August 1961, after an on-the-spot investigation of the border by the joint teams sent out in April 1961 by the Sino-Nepalese Joint Boundary Commission, the Chinese conceded an area measuring 3 miles by half a mile, adjacent to Mustang thus clearly accepting the Nepalese charge that the Mustang incident took place in the Nepalese territory.

Your Excellency has admitted as a shortcoming that the notification took place only one day before the military actions started. In this connection I would recall that immediately upon the receipt of the notification of June 26 His Majesty's Government have expressed the view that this unilateral decision on the part of the Chinese Government amounted to the violation of the Agreement on Boundary Question. While, therefore appreciating your frank admission of the shortcoming of the Chinese Government in regard to the short notice at which the action was taken, I would also emphasize that the unilateral action has in itself been a shortcoming on the part of the Chinese Government. Your Excellency will certainly agree with me that any unilateral action from either Government is definitely against not only the words but also the spirit of the Agreement.

I have noted that the suppression work is estimated to be concluded towards the end of July and that the Chinese troops would then be immediately removed away from the 20-kilometre demilitarized zone. In this context also I would again state that in future whenever circumstances arise which would necessitate the despatch of troops to the demilitarized zone such despatch should be made only upon obtainment of the consent of His Majesty's Government. Two countries like ours which are situated so close together and which have such deep friendship should always work together for mutual benefit.

Concerning the various friendship I would like to express my satisfaction of the progress being made towards the establishment of a Chinese Embassy in Kathmandu. Establishment of Nepalese Embassy in Peking is also being actively considered by His Majesty's Government. When we have diplomatic mission(s) in each other's capital, details, e.g., installation of telecommunication contacts could easily be worked out.

Your Excellency may have already been informed by the Chinese Embassy in New Delhi that we have approved the Chinese members of the Nepal-China Boundary Committee and also that we have suggested that the Committee could meet in Kathmandu during the first week of August. It is my earnest hope that the Committee will soon be able to formally delineate and scientifically demarcate the boundary between our two countries along the customary traditional border.

In the end I must reiterate that Nepal-China friendship is of paramount importance for the peace in Asia in the first instance and world peace in the last analysis. I would therefore assure you that His Majesty's Government would spare no effort to make our relations closer and stronger every day.

Please accept, Your Excellency, the assurances of my highest consideration.

B. P. KOIRALA
Prime Minister of Nepal

146. Joint communique issued by the Joint Boundary Committee at the end of its first session, Kathmandu, October 26, 1960

THE Chinese-Nepalese Joint Boundary Committee, established in accordance with the Agreement between the Government of the People's Republic of China and His Majesty's Government of Nepal on the question of the boundary between the two countries, held its first session in Kathmandu from August 12 to October 26, 1960.

Taking part in the session on the Chinese side were:

Chief Delegate Mr. Chang Shih-chieh, delegates Senior-Colonel Lu Yi-shan, Lieutenant-Colonel Teng Ting, Mr. Chang Pao-hua, and advisers Mr. Chi Kuang-po and Mr. Tu Kuo-wei;

On the Nepalese side were:

Chief Delegate Major-General Padma Bahadur Khatri, delegates Shri Mohan Bahadur Singh, Shri Narayan Prasad Raj Bhandari, Major Aditya Shumsher, Captain Bharat Keshar Sinha, and advisers Sardar Medini Prasad Raj Bhandari and Shri Netra Bahadur Thapa.

The Joint Committee was inaugurated by His Excellency Subarna Shumsher, Deputy Prime Minister (then officiating Prime Minister) of Nepal, at a solemn ceremony held on August 11, 1960.

The Chinese delegation had an audience with His Royal Highness Prince Himalaya Bir Bikram Shah Deva, the Regent of Nepal, on October 25, 1960. The same day they also had an interview with His Excellency Bishweswar Prasad Koirala, Prime Minister of Nepal.

Sincere and friendly atmosphere prevailed throughout the session and friendly consultations were conducted between the two sides in a spirit of equality, mutual benefit, mutual understanding and mutual accommodation, and unanimous agreement was reached on the following questions:

1. Tasks and working procedure of the Joint Committee;
2. General arrangement for the settlement of the entire boundary question;
3. Agreement satisfactory to both sides was reached on the settlement of the question of ownership of those sections of the boundary as listed in clause 3, Article Three of the Agreement on the question of boundary between the two countries;
4. Sending out the joint teams to the above-mentioned sections to carry out investigation and survey and settling the questions of the tasks, composition, time of despatch and working methods of the joint teams;
5. Fixing the location of survey points along the entire boundary line.

Both delegations were satisfied with the smooth progress and fruitful results of this session.

The Joint Committee agreed to hold its second session in the third week of December 1960 in Peking, during which it will discuss the investigation and survey work along the entire boundary.

147. Joint communique issued by the Joint Boundary Committee at the end of its second session, Peking, February 15, 1961

THE Chinese-Nepalese Joint Boundary Committee held its second session in Peking from January 18 to February 15, 1961. During the period of the session, Chairman of the People's Republic of China Liu Shao-chi, Premier of the State Council Chou En-lai and Vice-Premier and Minister of Foreign Affairs Chen Yi at different times received all the members of the Nepalese Delegation and held cordial and friendly conversations with them.

During this session, both sides fully displayed a spirit of friendly cooperation, mutual understanding, mutual accommodation, equality and mutual benefit and, through sincere and frank consultations, smoothly reached agreement on many important questions:

1. They affirmed a series of common points on the boundary line and arrived at a common understanding of the general alignment of the boundary on the map.
2. Through friendly consultations, they achieved solutions satisfactory to both sides concerning certain sections where the delineation of the boundary line between the two countries on the maps of the two sides is not identical and the two sides differ in their understanding of the state of actual jurisdiction.
3. They studied the report of the joint team which was sent in November 1960 to the Chinese-Nepalese border for investigation and survey, expressed satisfaction with the achievements of the work of the joint team and reached agreement on the recommendations submitted by the joint team.
4. They decided to send joint teams and joint survey teams in April 1961 for the investigation and survey of key points along the entire Chinese-Nepalese boundary line and agreed through consultations upon the duties, the composition and the methods of work of the joint teams and joint survey teams and other related matters.

Moreover, the two sides had a preliminary exchange of views on the drafting of a boundary treaty and agreed to speed up various preparations with a view to signing a boundary treaty in the near future.

The two sides decided to hold the third session of the Joint Committee in Kathmandu in July 1961.

Taking part in the current session were:

On the Chinese side:

Chief Delegate Mr. Chang Shih-chieh, delegates Senior-Colonel Lu Yi-shan, Colonel Teng Ting, Major Tu Yen, and Advisers Mr. Chi Kuang-po and Mr. Tu Kuo-wei.

On the Nepalese side:

Chief Delegate Major General Padma Bahadur Khatri, delegates Shri Mohan Bahadur Singh, Shri Narayan Prasad Raj Bhandari, Major Aditya Shumsher, Captain Bharat Keshar Sinha, and Advisers Sardar Medini Prasad Raj Bhandari and Shri Netra Bahadur Thapa.

148. Boundary Treaty, Peking, October 5, 1961

THE Chairman of the People's Republic of China and His Majesty the King of Nepal,

Being of the agreed opinion that a formal settlement of the question of the boundary between China and Nepal is of fundamental interest to the peoples of the two countries;

Noting with satisfaction that the friendly relations of long standing between the two countries have undergone further development since the establishment of diplomatic relations between the two countries and that the two Parties have, in accordance with the Five Principles of Peaceful Co-existence and in a spirit of fairness, reasonableness, mutual understanding and mutual accommodation, smoothly achieved an overall settlement of the boundary question between the two countries through friendly consultations;

Firmly believing that the formal delimitation of the entire boundary between the two countries and its consolidation as a boundary of peace and friendship not only constitute a milestone in the further development of the friendly relations between China and Nepal, but also are a contribution towards strengthening peace in Asia and the world;

Have resolved for this purpose to conclude the present Treaty on the basis of the Agreement Between the Government of the People's Republic of China and His Majesty's Government of Nepal on the Question of the Boundary Between the Two Countries of March 21, 1960 and have agreed upon the following:

Article I

The Contracting Parties, basing themselves on the traditional customary boundary line and having jointly conducted necessary on-the-spot investigations and surveys and made certain adjustments in accordance with the principles of equality, mutual benefit, friendship and mutual accommodation, hereby agree on the following alignment of the entire boundary line from west to east, Chinese territory being north of the line and Nepalese territory south thereof:

1. The Chinese-Nepalese boundary line starts from the point where the watershed between the Kali River and the Tinkar River meets the watershed between the tributaries of the Mapchu (Karnali) River on the one hand and the Tinkar River on the other hand, thence it runs southeastwards along the watershed between the tributaries of the Mapchu (Karnali) River on the one hand and the Tinkar River and the Seti River on the other hand, passing through Niumachisa (Lipudhura) snowy mountain ridge and Tinkarlipu (Lipudhura) Pass to Pehlin (Urai) Pass.
2. From Pehlin (Urai) Pass, the boundary line runs along the mountain ridge southeastwards for about 500 meters, then northeastwards to Height 5655 meters, thence continues to run along the mountain ridge northwestwards to Tojang (Tharodhunga Tappa), then northeastwards passing through Height 5580.6 meters to Chimala Pass, thence it runs generally northwestwards, passing through Chimala to Lungmochiehkuo (Numoche Tappa); thence the boundary line runs

generally eastwards, passing through Paimowotunkuo (Kitko Tappa) and then runs along Chokartung (Kitko) mountain spur down to the Chilungpa (Yadangre) stream, then it follows the Chilungpa (Yadangre) stream northwards to its junction with the Mapchu (Karnali) River, then it follows the Mapchu (Karnali) River generally eastwards to Yusa (Hilsa). At Yusa (Hilsa), the boundary line departs from the Mapchu (Karnali) River and runs northeastwards along the mountain spur up to Chialosa (Takule), then along the mountain ridge, passing through Kumalatse (Kumalapche), Kangpaochekuo (Ghanbochheko) and Mainipaimikuo (Manepamango) to Kangkuona (Kangarje) then northwards passing through Kangchupeng (Kandumbu) and Height 6550 meters to Nalakankar.

3. From Nalakankar, the boundary line runs generally northeastwards along the watershed between the tributaries flowing into the Manasarowar Lake and the tributaries of the Humla Karnali River passing through Nalakankar Pass to Latsela (Lapche) Pass; thence it runs generally southeastwards along the watershed between the tributaries flowing into the Manasarowar Lake and the tributaries of the Machuan River on the one hand and the tributaries of the Humla Karnali River, the Mugu Karnali River and the Panjang Khola on the other hand, passing through Changla mountain, Namja Pass, Khung (Thau) Pass and Marem Pass to Pindu Pass, then it continues to run southeastwards along the watershed between the tributaries of the Machuan River on the one hand and the tributaries of the Barbung River and the Kali Gandaki River on the other hand gradually turning northeastwards to Height 6214.1 meters.
4. From Height 6214.1 meters, the boundary line runs northeastwards along the mountain spur, passing through Height 5025 meters and crossing the Angarchubo (Angarchhu) stream to Height 5029 meters; thence it runs generally eastwards along Tuchu (Thukchu) mountain spur passing through Height 4730 meters and Bungla (Panglham) to the foot of Tingli Bhodho spur at its northwestern end, then turn northeastwards and runs along the southern bank of the Roumachushui (Rhamarchhushu) seasonal stream to the foot of Tingli Bhodho spur at its northeastern end; thence turns southeastwards, crosses the junction of two seasonal streams flowing northwards, and runs to the junction of three seasonal streams flowing northwards, and then up the eastern stream of the above three seasonal streams to Height 4697.9 meters, then turns southwestwards crossing a seasonal stream to Height 4605.8 meters; thence it runs generally southeastwards passing through Pengpengla (Phumphula) and then along Chukomaburi (Chhukomapoj) mountain ridge, passing through Height 4676.6 meters and Height 4754.9 meters to Height 4798.6 meters, thence along the mountain ridge northeastwards passing through Hsiabala, then generally eastwards passing through Height 5044.1 meters to Chaklo.
5. From Chaklo, the boundary line runs generally southwards along the watershed between the tributaries of the Yalu Tsangpo River and the tributaries of the Kali Gandaki River, passing through Height 6724

meters to Lugula Pass, thence it runs generally eastwards along Lugula snowy mountain and the watershed between the tributaries of the Yalu Tsangpo River and the tributaries of the Marshiyangdi River to Gya (Gyala) Pass.

6. From Gya (Gyala) Pass, the boundary line runs along the mountain ridge eastwards to Height 5782 meters, then southeastwards to Lajing Pass, then it runs along Lajing mountain ridge, passing through Height 5442 meters and Lachong (Lajung) Pass to Height 5236 meters, then turns southwestwards to Sangmudo snowy mountain; thence generally southeastwards and continues to run along Lajing mountain ridge, passing through Height 6139 meters to Height 5494 meters, and then in a straight line crosses the Dougar (Tom) River to Height 5724 meters; thence the boundary line runs generally northeastwards along the snowy mountain ridge, passing through Height 6010 meters, Height 5360 meters and Height 5672 meters to Thaple Pass.
7. From Thaple Pass, the boundary line runs generally northeastwards along the snowy mountain ridge, passing through Tsariyangkang snowy mountain to Khojan; thence it continues to run generally southwards along the snowy mountain ridge, passing through Mailat-saching Pass, Pashuo snowy mountain and Langpo snowy mountain to Yangrenkangri (Yangra) snowy mountain.
8. From Yangrenkangri (Yangra) snowy mountain, the boundary line runs along the mountain ridge southwards to Tsalasungkuo and then generally eastwards and then northeastwards along a dry stream bed and passes through Jirapo (Kerabas) to reach the Sangching (Sanjen) River, then follows that river southeastwards, passes through its junction with the Changchieh (Bhryange) River and continues to follow the Sangching (Sanjen) River to a point where a small mountain spur south of Genjungma (Pangshung) pasture ground and north of Chhaharey pasture ground meets with the Sangching (Sanjen) River; then it runs along the above small mountain spur eastwards and then southeastwards to Height 4656.4 meters, then runs eastwards to the Black top; thence it runs along a mountain spur to the junction of the Bhurlung River and the Tanghsiaka (Khesadhang) stream, then runs eastwards along the Bhurlung River to its junction with the Kyerong River; thence follows the Kyerong River southwards and then eastwards to its junction with the Tungling Tsangpo (Lende) River; then runs northeastwards up the Tungling Tsangpo (Lende) River, passing through Rasua Bridge to the junction of the Tungling Tsangpo (Lende) River and the Guobashiachu (Jambu) stream; thence turns eastwards up the Guobashiachu (Jambu) stream, passing through the junction of the Chusumdo Tsangpo River and the Phuriphu Tsangpo River, both the tributaries of the upper Guobashiachu (Jambu) stream, to reach the boundary marker point at Chusumdo.
9. From the boundary marker point at Chusumdo, the boundary line runs generally southeastwards along the ridge of Tsogakangri (Seto Pokhari) snowy mountain, Langtang snowy mountain, Dorley mountain and Gulinchin (Phurbo Chyachu) mountain to Chakesumu

(Kharaney) mountain; thence runs down to reach the Changnibachu (Kharaney) River and then follows that river southwards to its junction with the Bhochu (Bhote Kosi) River; then follows the Bhochu (Bhote Kosi) River southwards, passing through Dalaima (Bhaise) Bridge to the junction of the Bhochu (Bhote Kosi) River and the Junchu (Jum) River; thence eastwards up the Junchu (Jum) River to its source at Tsaje mountain (Jum Khola Ko Sir Ko Tuppa); thence the boundary line runs generally northwards along the mountain ridge to Chomo Pamari (Height 6208.8 meters).

10. From Chomo Pamari (Height 6208.8 meters), the boundary line runs generally northwards along the mountain ridge to Height 5914.8 meters, then generally northeastwards along Shondemo Kangri (Sudemo) snowy mountain passing through Height 5148 meters, and then crosses two tributaries of the Shondemo Chu (Shongdemo) stream, passing through Shondemo (Sudemo) which lies between the above two tributaries to Gyanbayan, then it runs along Gyanbayan mountain spur downwards, crosses the Pinbhu Tsangpo River (the western tributary of the Lapche River), and then along the mountain spur up to Height 5370.5 meters at Seborori (Korlang Pari Ko Tippa); thence the boundary line turns southeastwards along the mountain spur downwards, crosses the Lapche Khung Tsangpo River (the eastern tributary of the Lapche River), then it runs along Bidin Kangri (Piding) snowy mountain to Height 5397.2 meters; thence the boundary line turns westwards along the mountain ridge to Height 5444.2 meters at Kobobori (Raling), then generally southwards along Rasumkungpo (Rishinggumbo) mountain ridge to Niehlu (Niule) Bridge.
11. From Niehlu (Niule) Bridge, the boundary line runs generally eastwards to Chejenma (Gauri Shankar), and then eastwards along the mountain ridge and then northwards along the watershed between the Rongshar River and the Rongbuk River on the one hand and the tributaries of the Dudhkosi River on the other hand to Nangpa Pass, and then runs generally southeastwards along the mountain ridge, passing through Cho Oyu mountain, Pumoli mountain (Gnire Langur), Mount Jolmo Lungma (Sagar Matha) and Lhotse, to Makalu mountain; then runs southeastwards and then eastwards along the mountain ridge to Popti Pass.
12. From Popti Pass, the boundary line runs along the mountain ridge eastwards passing through Tsagala (Kepu Dada) to Kharala (Khade Dada), and then generally northeastwards passing through Lanapo (Lhanakpu) and Chebum (Chhipung) to the source of the Sunchunchu (Shumjung) River; then it follows the Sunchunchu (Shumjung) River to its junction with the track leading from Kimathangka to Chentang, then it runs along the track to the bridge on the Karma Tsangpo (Kama) River; thence it runs generally southeastwards along the Karma Tsangpo (Kama) River passing through its junction with the Pengchu (Arun) River, and then along the Pengchu (Arun) River to its junction with the Nadang River, then continues to follow the Pengchu (Arun) River westwards to its junction with the Tsokangchingpo (Chhokang) River; thence the boundary line departs from the

Pengchu (Arun) River and runs generally eastwards along a mountain spur passing through Angde and Dalai (Tale) Pass to Dalaila (Tale), and then runs along the mountain ridge passing through Jungkan (Dukan), Kaijungan (Khachunkha), Renlangbu (Relinbu) and Sulula to reach Ragla (Rakha) Pass.

13. From Ragla (Rakha) Pass, the boundary line runs generally eastwards along the watershed between the tributaries of the Nadang River and the tributaries of the Yaru River on the one hand and the tributaries of the Tamur River on the other hand, passing through Ombola (Ombak) Pass, Theputala (Tiptala) Pass, Yangmakhangla (Kangla) Pass and Chabukla to the terminal point where the watershed between the Khar River and the Chabuk River meets the watershed between the Khar River and the Lhonak River.

The entire boundary line between the two countries as described in the present Article is shown on the 1:500,000 maps¹ of the entire boundary attached to the present Treaty; the location of the temporary boundary markers erected by both sides and the detailed alignment of certain sections of the boundary are shown on the 1:50,000 maps¹ of those sections attached to the present Treaty.

Article II

The Contracting Parties have agreed that wherever the boundary follows a river, the midstream line shall be the boundary. In case a boundary river changes its course, the original line of the boundary shall remain unchanged in the absence of other agreements between the two Parties.

Article III

After the signing of the present Treaty, the Chinese-Nepalese Joint Boundary Committee constituted in pursuance of the Agreement of March 21, 1960 between the two Parties on the question of the boundary between the two countries shall set up permanent boundary markers as necessary on the boundary line between the two countries, and then draft a protocol setting forth in detail the alignment of the entire boundary line and the location of the permanent boundary markers, with detailed maps attached thereto showing the boundary line and the location of the permanent boundary markers. The above-mentioned protocol², upon being signed by the Governments of the two countries, shall become an annex to the present Treaty and the detailed maps shall replace the maps now attached to the present Treaty.

Upon the signing of the above-mentioned protocol, the tasks of the Chinese-Nepalese Joint Boundary Committee shall be terminated, and the Agreement of March 21, 1960 between the two Parties on the question of the boundary between the two countries shall cease to be in force.

Article IV

The Contracting Parties have agreed that any dispute concerning the boundary which may arise after the formal delimitation of the boundary between the two countries shall be settled by the two Parties through friendly consultations.

¹ Maps not reproduced here.

² See page 293.

Article V

The present Treaty shall come into force on the day of the signing of the Treaty.

Done in duplicate in Peking on October 5, 1961, in the Chinese, Nepalese and English languages, all three texts being equally authentic.

LIU SHAO-CHI

*Chairman of the People's
Republic of China*

MAHENDRA BIR BIKRAM SHAH DEVA

His Majesty the King of Nepal

(Peking Review : IV(42) : October 20, 1961 : 5-8)

149. Editorial of the People's Daily "hail the birth of Sino-Nepalese boundary of peace and friendship" Peking, October 13, 1961

THE Boundary Treaty between the People's Republic of China and the Kingdom of Nepal which was signed on October 5 and entered into force immediately upon signing, was formally made public today. The signing of the Chinese-Nepalese Boundary Treaty has brought about a permanent and over-all settlement to the problems between the two countries left over by history. This is a new achievement in the relations of friendship and co-operation between China and Nepal and also a new victory of the Five Principles of peaceful co-existence. With unparalleled enthusiasm, the Chinese people, together with the Nepalese people, celebrate the birth of this boundary of peace and friendship between China and Nepal.

The swift and successful solution of the Chinese-Nepalese boundary question has set a new excellent example of the settlement of the international questions by means of peaceful consultation. China and Nepal share a common boundary of more than 1,000 kilometres which had never been scientifically delineated and formally delimited. But our two countries have always respected the existing traditional customary line and lived in amity. In March 1960, the Governments of the two countries, on the basis of the Five Principles of peaceful co-existence and proceeding from a spirit of fairness and reasonableness, mutual understanding and mutual accommodation, signed the agreement on the question of the boundary between China and Nepal. The agreement stipulated that the two Contracting Parties should determine the boundary between the two countries in accordance with three different cases, i.e., on the basis of the traditional customary line, the boundary line shall be fixed according to the identical delineation on the maps of the two sides, according to concrete terrain features and the actual jurisdiction by each side, or by making adjustments in accordance with the principles of equality, mutual benefit, friendship and mutual accommodation after jointly ascertaining on the spot the state of actual jurisdiction. The two parties also agreed that in order to ensure tranquillity and amity on the border, each side would no longer dispatch armed personnel to patrol the area on its side within 20 kilometres of the border, but would only maintain its administrative personnel and civil police there. In the past year and more, the Joint Boundary Committee set up by the two countries conducted a survey of the

boundary and erected boundary markers and swiftly and successfully achieved satisfactory results in accordance with the principles set forth in the agreement.

In August this year, the Sino-Nepalese Joint Boundary Committee examined and approved of the working report and the maps actually delineated by joint teams and joint survey teams conducting surveys on the border areas, and reached agreement on the draft Boundary Treaty between the two countries. During his present visit to China, King Mahendra of Nepal consulted with Chinese leaders and a solution to all outstanding boundary questions between the two countries was achieved to the satisfaction of both. Thereupon the Sino-Nepalese Boundary Treaty was signed by the Heads of the State of the two countries and entered into force immediately.

Following the conclusion of the Boundary Treaty between China and the Union of Burma last year, China and Nepal have now also successfully settled their boundary questions left over by history. This is powerful evidence that any question between the Asian countries can be settled and the unity and friendly relations between them can be continually consolidated and developed, if they abide by the Five Principles of respecting each other's sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful co-existence, attach importance to peace and friendship, adopt an attitude of mutual understanding and mutual trust and conduct friendly consultations.

The imperialists have always taken advantage of the boundary questions existing between the Asian countries to sow discord among them and achieve their own sordid aims. Particularly, they have taken advantage of the boundary questions between China and some Southeast Asian countries to make vicious defamatory remarks about China. They have even slandered China as engaged in so-called "expansion and aggression" and spread shameless lies about the "death" of the Five Principles of peaceful co-existence and so on. But the smooth settlement of the Sino-Burmese and Sino-Nepalese boundary question one after the other provides indisputable evidence that China has always faithfully abided by the Five Principles of peaceful co-existence and that these principles are not only not "outmoded" but full of vitality. In a speech made at a state banquet in honour of King Mahendra and the Queen of Nepal, Chairman Liu Shao-chi said, "We firmly maintain that all countries, big and small, should treat each other equally and respect and help each other, that any foreign infringement on the sovereignty and territorial integrity of any country and any foreign interference in its internal affairs are absolutely impermissible, and that no political strings should be attached to mutual economic aid." His Majesty King Mahendra said in an address to the rally of the people of all circles held in the Chinese capital on October 5, "All the outstanding problems regarding the boundary between China and Nepal have been solved to the satisfaction of both parties." He added, "Throughout our negotiations, with the great friendly neighbouring country of China, we have been guided by the principles of peace and friendship and respect for each other's rights, territorial integrity and sovereignty and political independence and we are happy to tell you that your leaders have fully responded to and reciprocated our feelings. We must live like two ideal friendly neighbours." These amicable remarks made by the leaders

of the two countries not only fully show the further strengthening of friendly relations between China and Nepal but have also effectively exposed all sorts of imperialist defamation and slanders, and dealt a hammering blow at the vicious designs of imperialism to create discord and conflict between the Asian countries.

At this moment when the people of the Sino-Nepalese boundary of peace and friendship, we would like to express our sincere gratitude to those Nepalese friends who have contributed to the creation of this boundary for the sake of the future generations of the Chinese and Nepalese peoples. King Mahendra, an outstanding statesman of Nepal, has from beginning to end followed with warm interest the negotiations on the boundary question between the two countries. His current visit to China is also a new contribution to the final satisfactory and reasonable settlement of this question. The Nepalese delegation headed by Major General P. B. Khatri of the Chinese-Nepalese Joint Boundary Committee and other personnel, always maintaining an attitude of friendly co-operation, have worked diligently for the creation of the boundary of peace and friendship. The joint efforts and co-operation between the personnel of the two countries have contributed enormously to bringing such a boundary into being. Their meritorious services towards this end will be remembered and praised by the posterity of the Chinese and Nepalese peoples.

A long-standing traditional friendship exists between the Chinese and Nepalese peoples. For long ages, the two peoples have lived in peace and maintained close relations. The two countries concluded a Treaty of Peace and Friendship when Premier Chou En-lai visited Nepal last year. Now, during King Mahendra's visit to China, the Sino-Nepalese Boundary Treaty was signed. The two Treaties have sealed in the form of law the traditional friendship between the two countries. This has not only set up a new landmark for the further development of the friendly relations between the two countries and greatly helps to strengthen and consolidate their relations of peace and friendship, but is also a tremendous contribution to the furtherance of peace, friendship and co-operation in Asia and the world over. May the friendship between the Chinese and Nepalese peoples be as everlasting as the Himalayas!

(Survey of China Mainland Press : 2602 : October 20, 1961 : 39-41)

150. Notes exchanged on agreed points on the Sino-Nepalese boundary, Kathmandu, August 14, 1962 (Excerpts)

THE Chief Chinese delegate on the Chinese-Nepalese Joint Boundary Committee Chang Shih-chieh and his Nepalese counterpart P. B. Khatri exchanged notes in Kathmandu on August 14 on the choice of nationality, trans-frontier cultivation of lands and trans-frontier pasturing by the inhabitants of certain border areas. The points stated in the exchanged notes became Agreement between the Governments of the two countries and came into force on the day of the exchange of notes.

In his reply to Khatri, Chang Shih-chieh, on behalf of the Chinese Government, expressed agreement to the note sent him by Khatri.

Khatri said in his note that after the signing of the Boundary Treaty between the Kingdom of Nepal and the People's Republic of China, the two parties, in the spirit of equality, mutual benefit, friendship and mutual understanding, held talks on the questions left over after the delimitation of the boundary and reached an understanding on the choice of nationality, trans-frontier cultivation of lands and trans-frontier pasturing by the inhabitants of certain border areas. He listed in his note the points of mutual understanding and suggested that as soon as these points received the Chief Chinese delegate's confirmation, his note and the Chief Chinese delegate's reply shall form an agreement between the Nepalese and Chinese Governments, and shall come into force on the day of the exchange of notes.

On the choice of nationality by inhabitants of certain border areas, Khatri's note said:

"The inhabitants of the areas to be transferred by one party to the other in pursuance of the provisions of Article I of the Nepalese-Chinese Boundary Treaty shall, after the transference of the areas to the other party, be definitely considered citizens of the country to which the areas belong. Any inhabitants of these areas who do not wish to become citizens of the country to which the areas belong may retain their previous nationality by making declaration to that effect within one year of the coming into force of the agreement contained in the exchanged notes. Persons who make such declarations may either stay where they are as foreign residents or at any time move into the territory of their country of nationality."

It then laid down concrete rules regarding choice of nationality, the legitimate rights of those who decide to retain their previous nationality and protection and disposal of their property.

It went on to say:

"In accordance with the principle of mutual respect for sovereignty and territorial integrity, and in order to facilitate administration by each party and to avoid disputes between border inhabitants of the two sides, so as to promote development of the friendly and amicable relations between the border inhabitants of the two countries, the two parties are of the agreed opinion that the questions of trans-frontier cultivation of lands and trans-frontier pasturing, which now exist in the Nepalese-Chinese border areas and may arise from the present delimitation of the boundary should be settled."

On trans-frontier cultivation of lands, the note said:

"The two parties agree that within one year of the coming into force of the agreement contained in the exchanged notes, both governments shall adopt measures to abolish any trans-frontier cultivation which now exists or may arise from the delimitation of the boundary."

On the trans-frontier pasturing, the note stipulated that:

"each party shall see to it that no new cases of trans-frontier pasturing shall be allowed for its border inhabitants, nor shall the trans-frontier pasturing which has been given up be resumed in the territory of the other party."

Both Governments, it said, shall adopt measures to abolish the existing practice of trans-frontier pasturing by border inhabitants of both countries. It laid down concrete rule regarding the abolition of trans-frontier pasturing or problems arising from the continued practice.

It proposed for the abolition of existing practices of trans-frontier fire-wood-collecting, bamboo-felling, herb-collecting, honey-gathering, lumbering and hunting by border inhabitants.

In conclusion, it proposed that in order to implement the Agreement, local officials of the two parties meet as soon as possible to solve the problems involved through consultation.

(*Survey of China Mainland Press* : 2804 : August 22, 1962 : 28-30.)

151. Boundary Protocol, Peking, January 20, 1963 (Summary)

THE "Protocol between the Government of the People's Republic of China and His Majesty's Government of Nepal relating to the boundary between the two countries," declares that the Sino-Nepalese Joint Boundary Committee has successfully completed the task conferred upon it by the Sino-Nepalese Boundary Treaty of October 5, 1961 with regard to establishing permanent boundary markers and has thereby clearly and formally demarcated the boundary line between China and Nepal.

The Protocol says that the Chinese and Nepalese Governments are "deeply convinced that this will help strengthen the traditional friendship between the two peoples and further consolidate and promote the friendly and good-neighbourly relations between the two countries established on the basis of the Five Principles of peaceful co-existence."

The Protocol was signed by Chinese Vice Premier and Foreign Minister Chen Yi and the Vice Chairman of the Nepalese Council of Ministers and Foreign Minister, Dr. Tulsi Giri as an annex to the boundary treaty between China and Nepal. It is a document which finally stipulates in concrete terms the boundary line between the two countries. It comes into force on the day of its signing.

The protocol is divided into five parts as follows:

Part one —general provisions (articles 1-5);

Part two —alignment of the boundary line (articles 6-19);

Part three—locations of boundary markers (articles 20 and 21);

Part four —maintenance of the boundary line and the boundary markers (articles 22-31);

Part five —final clauses (articles 32 and 33).

The Protocol states that "the boundary line between China and Nepal has been further surveyed on-the-spot and formally demarcated by the two parties in pursuance of Article III of the Boundary Treaty between the two countries. The alignment of the boundary line as surveyed and demarcated by the two parties follows entirely the alignment as described in the treaty

and is set out more in detail in the present Protocol than in the treaty. Hereafter, the specific alignment of the boundary line between the two countries shall be as provided for in the present Protocol.”

The protocol describes in detail the alignment of the boundary line. The length of the boundary between China and Nepal is 1,111.47 kilometres. The boundary markers erected by the two parties along the boundary line between the two countries are numbered 1 to 79 in serial order from west to east. The protocol gives the detailed locations of all the boundary markers. The alignment of the boundary line and the locations of the boundary markers are shown in the “detailed maps attached to the Chinese-Nepalese Boundary Treaty” which are attached to the Protocol¹.

The document stipulates that “the Contracting Parties shall maintain the boundary markers and adopt necessary measures to prevent their removal, damage or destruction. Neither party shall unilaterally set up new boundary markers.” It says that the Contracting Parties shall, as far as possible, prevent the boundary rivers from changing their courses, neither party shall deliberately change the course of any boundary river.

The Protocol stipulates that after the coming into force of the Protocol, the Contracting Parties shall make a joint inspection of the entire boundary between the two countries every five years, but the inspection may be postponed or be made only in certain sections of the boundary whenever agreed upon by both parties. The two parties shall make interim joint inspections of certain sections of the boundary when requested by one party and agreed to by the other party. After the inspection, the two parties shall, in pursuance of the provisions of the Protocol, take such measures as they deem necessary.

(*Survey of China Mainland Press* : 2906 : January 28, 1963 : 28-29)

152. Editorial of the People’s Daily, Peking, January 21, 1963 (Excerpts)

THE Sino-Nepalese boundary protocol is hailed by the *Jen-min Jih-pao* as marking the final and complete settlement of the boundary question between the two countries. Its signing, the paper’s editorial says, is great news for both the Chinese and the Nepalese peoples and is a major landmark in the age-old and ever stronger bond of friendship between China and Nepal.

The editorial goes on to say that the Sino-Nepalese boundary covers some most complex terrains. “However, a traditional customary boundary line had come into being in the far distant past as the peoples of the two nations lived in peace and friendship, in accordance with the limits of their administrative jurisdiction. In 1960, the Governments of the two countries concluded an Agreement on the boundary question, affirming their respect for the traditional customary boundary line and taking it as the basis for the formal delimitation of the boundary line”.

Under the Agreement, the editorial continues, “adjustments were to be made through friendly consultation and in accordance with the principles of equality, mutual benefit, friendship and mutual accommodation, in such sectors where the boundary lines as shown in the maps of the two sides did

¹ Maps not reproduced here.

not coincide and where divergences occurred as to the appraisal of the conditions under which jurisdiction was actually exercised”.

The paper points out that the chief reason for the smooth and satisfactory settlement of the Sino-Nepalese boundary question, which was effected in less than three years, is the sincere desire of both parties for a peaceful settlement of the question. “Prior to a general settlement of the boundary question, both sides agreed to maintain temporarily the *status quo* of the boundary and not to lay territorial claims as pre-conditions. It was also established that each side would, apart from maintaining its own administrative personnel and civil police, refrain from sending its armed personnel to patrol in the areas within twenty kilometres on its side of the boundary. Both sides had faithfully honoured the agreement, and had thus insured tranquillity in the border areas and reciprocal cordial relations.

“In the course of settling the specific issues, consultations were conducted in a fair and reasonable manner and in a spirit of mutual understanding and mutual accommodation and of seeking truth from facts. In addition, each side gave due consideration to the national feelings of the other side and in no case imposed its own views on the other.

“In consequence, the friendship between the two countries grew steadily throughout the period when a settlement of the boundary question was being sought. Around the conference table as well as in the actual survey of the boundary, the Chinese and Nepalese friends worked in cordial and sincere co-operation, each leaving with the other heart-warming memories”.

Following the settlement of the Sino-Burmese boundary question, the completion of the work to create permanent boundary of peace and friendship between China and Nepal is another example for the settlement through friendly consultations of boundary disputes left over by history, the editorial declares. “This is a major victory for the Five Principles of peaceful co-existence and has vital bearing on the consolidation of peace in Asia and Afro-Asian solidarity. All peace loving countries and peoples of the world will cheer and acclaim this achievement on the part of our two countries.

“The peoples of China and Nepal have always lived in amity. Since the formal establishment of diplomatic relations between the two countries, the traditional friendship between them has registered even greater development. The economic and cultural ties between the two countries have, in particular, become increasingly closer after King Mahendra personally took over the helm of the State. Now, Lhasa-Kathmandu highway is being constructed at an accelerated pace in accordance with an Agreement between the two Governments. The towering Himalayas will serve as the seal of friendship which would bring the peoples of our two countries still closer and the future is full of promise for Sino-Nepalese friendship and co-operation”.

(*Survey of China Mainland Press* : 2906: January 28, 1963: 27-28)

