Chapter 3

Pressures, Changes and Erosion Under King Mahendra (1955-1972)

The year 1955 saw the accession of King Mahendra to the throne which brought a change in the content and direction of Nepal's foreign policy. The major change was the introduction of Balance of Power in relation to its neighbours rather than the policy of special relations with India which was followed by King Tribhuvan. It was under his rule that diplomatic relations were established with China, initially through Indian mediation.

Changing directions in Nepal's Foreign Policy

In July 1955 the Chinese Ambassador in India, General Yuan Chuang-Hsien visited Nepal which resulted in an agreement for the establishment of diplomatic relations to 'promote further development in the cultural and economic cooperation' between the two states based on the five principles of Panchasheel. The Agreement was an important diplomatic

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1 S.D. Muni, Foreign Policy of Nepal (Delhi, 1973), p.98.
2 Refer S.K Jha, Uneasy Partners: India and Nepal in the Post-Colonial Era (New Delhi, 1975), p.98
step by Nepal to establish friendly relations with China at a time when the Sino-India relations were cordial.

Simultaneously, Nepal became a member of the United Nations in December 1955 and emerged on the world map as a sovereign, Independent nation where it took decisions at times differing from India. For Instance in 1956 in the United Nation's General Assembly on the Hungarian issue Nepal voted against the Soviet bloc. This was the first time Nepal had not voted with India.

Thus, King Mahendra followed the policy of 'non-alignment' with 'equal friendship for all' and 'diversification'. In the process, he took some policy innovations at the domestic level.

Tanka Prasad's Foreign Policy: Equal Friendship with all:

Tanka Prasad Acharya was appointed as the Prime Minister of


Nepal in 1956. He advocated a policy of equal friendship with all the countries instead of special relations with India only. Diplomatic relations were established with Japan, Egypt, Ceylon, Soviet Union and China. He was ready to accept economic aid from all the friendly countries without any strings or conditions attached. He wanted Nepal to maintain direct trade relations with the friendly countries rather than developing trade relations through India as was done under the Treaty of Trade and Transit (1950).

During the visit to Nepal by Chinese Ambassador to India and Nepal, Pan Tzu-li, an Agreement was concluded with the Tibet region of China on 20 September 1956 on trade and establishing friendly relations with China.

The signatories agreed to 'mutually exchange' ambassadors in each other's country (article II). The old treaties and documents between Nepal and China were abrogated (article III). In the 'Notes' exchanged along with the Agreement Nepal recognised Tibet to be a part of China and agreed to withdraw its military escorts along with arms and ammunition from the Tibet region of China. (para II). The Notes exchanged came into effect

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9 Ibid.
immediately whereas the Treaty was ratified and came into operation from 17 January 1958.\footnote{Rose, n. 4, p. 211.}

To promote trade relations, an Economic Assistance Agreement was signed on 7 October 1956 between Nepal and China on the occasion of Acharya's visit to China.

According to the provisions of the Agreement China gave a grant of 60 million (Indian Rupees) of which 1/3 was given in foreign exchange and the rest in machinery, equipment, materials and other commodities which China agreed to supply to Nepal. (article I) China gave economic aid to Nepal without any conditions or technical personnel along with it. (article II)\footnote{For the Text of Agreement see New Developments n. 8, pp.15-16.}

The Agreement was received favourably in Nepal. Comparisons were drawn between China and India, the traditional aid donor to Nepal. The Chinese were considered reasonable and their policy towards Nepal correct. China had signed Panchasheel with Nepal and India had not done so. The Indian aid to Nepal came along with the technical personnel for supervision whereas the Chinese offer was free from any attachments.\footnote{S.B. Prasad, The China Factor in Indo-Nepalese Relations 1955-72 (New Delhi, 1989), p.67.}

The Political Parties in Nepal like the Nepali Congress, the Nepali National Congress and Gorkha Parishad welcomed the unconditional aid by China. Indirectly this stance helped the political parties to strengthen
their base in Nepal by taking anti-India view. It was a sign of growing Nepali Nationalism which often considered Indian influence with interference in its affairs. The King also supported Acharya’s foreign policy as he wished to lessen Nepal’s dependence on India by maintaining friendly relations with other countries. 13

Maintaining the spirit of friendship and cordiality the Chinese Premier Chou-En-lai visited Nepal in February 1957. China emphasized on the traditional bonds of friendship and racial and religious affinities between the two countries "which could not be affected even by the Himalayas". 14 It was apparent that China emphasised on such cultural ties to allay Nepalese fear from Chinese occupation of Tibet.

Indian Concerns

New Delhi had given its tacit approval to Nepal to develop its relations with China probably with an assumption that these would develop under India’s supervision. However, India was alarmed at the growing Chinese interest in Nepal when there was deterioration in its own relations with China. 15

15 New Delhi has not objected on Nepal developing relations with China when King Tribhuvan and Foreign Minister Regmi visited India in 1954 but India had no desire to share Nepal as a sphere of influence with
The Indian apprehensions stemmed from the changes which were taking place in South Asian region. 1954 witnessed the emergence of extra regional powers. Pakistan had signed a Mutual Security Pact in 1954 and joined the U.S. sponsored security pacts of CENTO and SEATO. U.S.A. became the major supplier of arms to Pakistan and high performance jet aircrafts including F-86 sabres and 12F-104 interceptors and hundreds of world war I and Korean war vintage tanks. The efforts of Pakistan to militarily equip itself disturbed India as the former acquired a powerful strike force which could confront India.

In India's strategic thinking Pakistan and not China posed the main threat. In fact, India had supported the representation of Communist China in the United Nations. Upto 1957 the Government of India relied on friendship and goodwill as the main component of its policy towards China to present any overt challenge along the Himalayan frontier.

However, with deterioration in its relationship with China the Government of India was cautious in Nepal's introduction of China to

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counter-balance Indian influence in the Himalayan frontier in the name of equal friendship for all. Though the Government of India maintained that it was kept informed by both China and Nepal about the developments in their relationship at the same time Indian President Rajendra Prasad visited Kathmandu, soon after Acharya's return from China, and extended an official invitation to visit India.

Rajendra Prasad visited Nepal for four days from 21 September 1956. This was the first ever visit of the Indian President to any foreign country since he assumed office in 1950. He stressed on the traditional Indo-Nepalese ties in religion and culture. In the Royal banquet he said that "any threat to the peace and security of Nepal is as much a threat to the peace and security of India. Your friends are our friends and our friends yours." The statement was to show India's friendship towards Nepal. And also to put across the message to Nepal that India had no territorial ambitions and intentions of interfering in its internal affairs.

The statement of the Indian President evoked negative response in Nepal. It was interpreted as India's hegemonistic attitude of trying to convert Nepal into a satellite of its own. Indian consideration of Himalayas as its frontiers against the communist China was not acceptable to sovereign,

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19 Refer Jha, n.2, p. 108.

20 For Rajendra Prasad's speech at a State banquet in Kathmandu in 22 October 1956 see Bhasin, n. 3, p. 41.
King Mahendra was aware that along with developing relations with China, Nepal needed to simultaneously maintain relations with India. Thus, on 14 July 1957 the coalition government of Achraya was dismissed and a new government of K.I. Singh, President of United Democratic Party, assumed office. Domestic compulsions, also, influenced King's decision to dismiss Acharya government as he could not create a political base for himself and faced opposition from the independents within the cabinet, the opposition parties namely the Communists, Nepali National Congress, Gorkha Parishad and the general dissatisfaction amongst the people against shortage of rice, price rise etc.

**Revival of special Relationship with India by K.I. Singh**

K.I. Singh's foreign policy differed with that of Acharya's. Singh believed in maintaining special relationship with India in place of equal relationship with India and China. He did not allow China or the Soviet

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24 King Mahendra preferred a weak, unstable cabinet which could not challenge his leadership. He appointed Praja Parishad Government in coalition with royalists under T.P. Acharya in 1956 who was not the party President which was the source of discontentment amongst the Party ranks. Similarly in 1957 K.I. Singh President of United Democratic Party formed the cabinet whose appointment antagonized other political Parties. For details see Bhuvan Lal Joshi and Leo E. Rose, *Democratic Innovations in Nepal* (Berkeley, 1966).

Union to establish Embassies in Kathmandu and maintained that diplomatic relations would not be developed for some time.\textsuperscript{26} Singh supported India's position on the Kashmir issue on which Nepal had maintained silence. In a Press Conference on 3 August 1957 Singh declared that "We shall support India over the Kashmir issue... Kashmir was and Kashmir is a part of India and the people of Kashmir desire to live with the Indian Union, we respect their wishes".\textsuperscript{27} The King apprehended Singh's foreign policy to be pro-India which could nullify the policy of equal relationship with all. Hence Singh's ministry was dismissed on 14 November 1957 and power came directly to the King.

\textbf{Policy of Diversification}

King Mahendra did not desire to confine Nepal's relationship with the neighbours, India or China but wanted to extend it outside the region. He developed relations with the US and the USSR by agreeing to open resident Embassies in each other's capital. Also, on 17 April 1958 Nepal renewed its agreement on Gurkha recruitment with Great Britain for 10 years rather than the previous 5 years period.\textsuperscript{28}

\textsuperscript{26} Refer Rose, n. 4, p. 216, \textit{Keesing's Contemporary Archives}, 31 August-7 September 1957, p. 15741.

\textsuperscript{27} For Singh's statement in a Press Conference in Kathmandu refer Bhasin, n. 3, p. 63.

\textsuperscript{28} Refer \textit{Nepal Times} (Kathmandu), 18 April 1958.
Initially the British Gurkha recruiting depots were in India which was terminated by an agreement with the British Government and the facilities extended by India were withdrawn. Nepal agreed to provide the sites for construction of recruiting depots for Gurkhas in the British Army. The continuation of the Gurkha recruitment in British Army was criticised by the political parties and intellectuals of Kathmandu. It was considered against Nepal’s National interest and an act which had disgraced the history of Nepal. The rising sentiment of Nepal nationalism considered the Gurkha's working in other Armies as mercenaries. In fact the Communist Party in the 1959 election campaigned against the Gurkha recruitment in the British and Indian Army contending it was against Nepali dignity. Also the Indian Military Mission stationed in Kathmandu was considered as an affront to Nepali dignity and an extension of Indian interference (Dealt in chapter II). To appease the opposition, mainly from the left, against the military mission, the King announced the end of the tenure of Mission in Nepal.

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The Indian Military Training and Advisory Group.

The Government of India accepted the Nepalese request and on 16 July 1958 the Indian Military Mission was reorganised as the Indian Military Training and Advisory Group (IMTAG).³³

The Indian Military Mission was reduced to about 42 Indian defence personnel, enough to carry out their functions effectively.³⁴ (For the composition of IMTAG refer Appendix VI).

However, the IMTAG continued to advice RNA on training and organisation. It had to assist the Nepal Army in filling the vacancies in courses of instructions offered by India and to arrange attachments for Nepalese personnel in unit, installations and establishment of the Indian Army. To meet this end, an Advisor preferably an infantry officer from Gurkha unit was required, as they were familiar with the Nepali language.³⁵

The demands of RNA for equipments and stores from India had to be met regularly. The IMTAG acted as a liaison between the RNA Headquarter and the Indian Army Headquarter. And for this, an Ordnance Advisor was required, who could also take the function of Administrative Advisor. To assist the Ordnance Advisor an Assistant Ordnance Advisor (JCO) and Store

³⁵ Ibid.
Clerk were retained.\textsuperscript{36}

To meet the acute shortage of qualified armourers in the RNA who consistently sought Indian support it was decided to retain the Assistant Advisor (armourers) JCO EME and a Havaldar armourer from the Indian Military Mission.\textsuperscript{37}

The Medical Team sent with the Indian Military Mission was looking after the Indian Army personnel but its medical advice to Nepal Army was not effective due to financial difficulties and lack of equipment in the RNA. Hence, it was decided to retain one Nursing Assistant and withdraw the rest.\textsuperscript{38}

Similarly to meet the Administrative requirements of IMTAG an Administrative officer supported by Clerical, Signal staff, Guard duty, Drivers, EME etc. were retained to the bare minimum. In all 63 personnel of the ranks were withdrawn from the IMM and 42 personnel in Nepal worked as the Indian Military Training and Advisory Group.\textsuperscript{39}

The erosion in the Indo-Nepal mutual security perceptions and concerns had started emerging. The security perception got influenced by the domestic compulsions in Nepal. As discussed earlier, the King had withdrawn IMM

\textsuperscript{36} Ibid.
\textsuperscript{37} Ibid.
\textsuperscript{38} Ibid.
\textsuperscript{39} Ibid.
when criticisms were hurled against it. The King had wanted to lessen Nepal's dependence on India but not at the expense of straining its relations with it. Hence, Nepal retained IMTAG as a gesture to continue mutual security arrangements with India.  

The policy adopted by Nepal is an example of land-locked state. A land-locked state can employ either the strategy of accommodation with its neighbouring states or be more adventurous and employ alternative transit model where it plays two or more than two nations against each other and cash on the competitions.

Nepal employed both the techniques with certain reservations. It tried to accommodate with India's security, trade and economic interests till King Tribhuvan's rule. During Mahendra's rule Nepal adopted alternative transit model. The growing Sino-India rift helped him in playing one against another.

SET BACK TO SINO-INDIA RELATIONS

The Sino-India relations were deteriorating over the Tibetan issue. Thousands of Tibetans along with the Dalai lama, fled Tibet and took asylum in India. China suspected Indian help to the uprising and alleged it as following 'a policy of imperialism and expansionism'. It considered the sympathy of India and Indian leaders towards Tibet as an interference in

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40 Refer Rose, n.4, p. 218.
China's internal affairs.\(^{41}\)

India moved closer to Soviet Union whose relations with China were rapidly deteriorating. The Soviet Union looked towards South Asia where it could help the non-socialist states from capitalist influence.\(^{42}\) A major influential factor in the Soviet effort to improve its relations with India, following the Sino-India war, was the fear that within the Non-aligned movement, India might be inclined towards the West after getting American and British military assistance during the war.\(^{43}\) From 1959 onwards, South Asia was given highest priority by the Soviet policy makers.

However, it clashed with the Chinese interests which was also trying to gain foothold in South Asia where it did not figure as a co-sharer of power and influence with India. The Indo-Soviet axis denied China its due place in the emerging power structure and clashed with its interests in South-Asia. Hence, China regarded it necessary to challenge India and create a niche for


itself in the world polity.\textsuperscript{44}

Sino-India relations took a downward trend in 1958 when China published some maps in which large parts of India were shown as Chinese territory. When questioned by India,\textsuperscript{45} the Chinese authorities claimed the reproductions to be old maps which would be rectified at a later date.\textsuperscript{46} By 1958, China had constructed the Sinkiang-Tibet Highway which cut across the Ladakh region of India, without its permission\textsuperscript{47} and the arterial roads of the Highway reaching the borders of Nepal, Bhutan and Sikkim were built.\textsuperscript{48} Thus, Communist China had systematically linked itself with the northern Himalayan Kingdoms before challenging the Indian position on its border.

In 1959, China directly challenged the entire Sino-India border. On 7

\textsuperscript{44} Refer Ramakant, \textit{Nepal-China and India} (New Delhi, 1976), p.123.

\textsuperscript{45} Refer Notes given by the Ministry of External Affairs to the counsellor of China in India, 21 August 1958, in Notes, Memoranda and Letters Exchanged and Agreements signed between the Governments of India and China, 1954-59. White Paper, Ministry of External Affairs, Government of India. p. 46.

\textsuperscript{46} Refer Memorandum given by the Foreign Office of China to the Counsellor of India, 3 November 1958, p. 47; Also Letter from the Chinese Prime Minister to the Indian Prime Minister, 23 January 1959, pp 52-54 in Ibid.

Also \textit{Foreign Affairs Record} (New Delhi), vol. IV, no.11, November 1959, p. 288.


\textsuperscript{48} Mullick, n. 41, p.212.
August, a Chinese patrol party of 200 men crossed Indian border at Khinzemane, and pushed Indian division about two miles back to a bridge at Drokung Samba. Indians were asked to surrender the Picket and lower the National Flag which was, however, refused. 49 25 August saw a Chinese detachment crossing and firing in the Indian territory at subansiri frontier division at a place South of Migyitun. 50

The Government of India lodged a protest against these activities to the Chinese government. 51 Simultaneously, stringent security measures were taken in the Indian border. In August 1959 the general command and direction of the NEFA was handed over to the Indian Army which was till then manned by Assam Rifles. The frontier areas of Uttar Pradesh, Himachal Pradesh, Punjab and Ladakh were looked after by their respective police forces. Also the check posts in the border areas had increased to 67 in 1960 and 77 by 1962. 52

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49 Note given to the Foreign Office of China by the Ambassador of India, 11 August 1959, Refer n.45, p.24.


51 Refer Letters from the Indian Prime Minister to the Prime Minister of China, 16 November 1959, and 21 December 1959 in n.45.

Along with the administrative and police measures in the northern borders, India also proceeded through diplomatic channel to deal with the Chinese threat. India believed that through negotiations the Himalayan frontier could be made secure.\textsuperscript{53}

The Himalayas did not seem impregnable any more with the Chinese skirmishes. In these circumstances a friendly government in Nepal sensitive to Indian security concerns was necessary. India had to deal with a Nepal which had introduced Parliamentary system and had the first elected government of B.P. Koirala on 27 May 1959.

**Nehru Visits Nepal to Strengthen Security Measures**

Nehru visited Nepal from 11 to 13 June 1959 at the invitation of the Government of Nepal. In a public meeting on 13 June, Nehru criticised Panchasheel as "Where is Panchasheel? Who observes Panchasheel in the world? Only you (Nepal) and we (India) talk about Panchasheel".\textsuperscript{54}

In the Joint Communique signed on 14 June, both the countries asserted their 'identity of views' on international and domestic problems 'being

\textsuperscript{53} Report which was submitted to the Government of India in 1951.

\textsuperscript{54} Refer Nehru's speech at a reception hosted by the Nagar Palika, Kathmandu on 13 April 1959 in Devokota, n.7, p. 159.
animated by similar ideals and objectives. They were convinced that to promote peace, national development and human progress it was essential to end the colonial control or domination of one country by another. It was an obvious reference to the Chinese control over Tibet and its claim over the Indian territory. In fact, India and Nepal claimed to have no conflict of interests and had 'similar problems' and 'common approaches' to deal with them. Both the neighbours had harmonized their interests in the growing Chinese threat from the north.  

The talks between the two Prime Ministers culminated in 100% increase in the defence expenditure of Nepal for 1959-60 in order to strengthen defence of its northern border. India assured financial and material help to Nepal. In fact, Koirala expressed his concern on the Chinese threat from the North and said in a Press Conference that "We have to now look after two frontiers. The defence of the North could cost more than the southern border. 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 altitude." However, Nehru’s views on Panchsheel and the Joint Communique were criticised by the Opposition Parties and the Press in Nepal. For instance, Nehru’s remarks on Panchsheel were interpreted by the

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55 For the text of the Joint Communique refer Foreign Policy of India Text of Documents, Lok Sabha Secretariat, New Delhi, 1966, pp.341-342.

Rashtriya Prajatantra Party as not "having the intentions to, treat Nepal in accordance with the principles of Panchasheel. Hence, the visit of Nehru, according to the RPP, could not come up to the expectations of the Nepalese who desired to strengthen the bonds of friendship between the two countries." The Joint Communiqué was considered as a deviation from the policy of equal friendship to all and Nepal's non-alignment in the Sino-India dispute.

Nehru in an attempt to stress on the validity of the Joint Communiqué and India's security arrangements with Nepal declared in the Parliament on 27 November 1959 that "any aggression on Bhutan or Nepal would be considered as aggression of India." Nehru said that it was a great responsibility to take but the matter involved the security of India itself.58

Nehru's statement was not something new or novel expression of India's concerns towards Himalayas. In fact, as stated earlier the Treaty of Peace and Friendship (1950) (article II,V, and Exchange of Letters along with it) and Nehru's statements on various occasions, for instance on 17 March 1950 in the Lok Sabha (referred in Chapter I) highlights the importance of the Himalayan frontier in India's strategic concerns. However,

57 Similar Sentiments were echoed in the Press viz, Nepal Samachar, Kalpana, Samaj, Halkhabar, refer Devkota, n. 7, pp. 168-180.

Nepal beaming with the idea of nationalism, which had taken recourse in being anti-Indianism, considered Nehru's statement as against Nepal's sovereignty and independence.

Tanka Prasad Acharya considered Nehru's statement as 'of extreme highhandedness'. He further said that "We wonder whether in the name of Sino-India dispute an attempt is not being made to move troops into Nepal". 59

The statement issued by the Nepal Communist Party expressed its fear that amidst Sino-India border dispute India was trying to drag Nepal into the Cold war against China. 60

Amidst opposition on Nehru's statement, the Nepalese Prime Minister said that he considered it "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. Similarly Nepal would also come to India's assistance as we have done in the past if India required help". 61 Koirala's statement reflected the dilemma in the Nepalese attitude. They kept on harping on no fear of aggression from either China or India but on the other hand signed the Joint Communiqué which looked after the common security interests between India and Nepal.

59 The Statesman, 3 December 1959.

60 The Statesman, 2 December 1959, Also refer Devkota, n.7, p.276.

61 The Statesman, 30 November 1959.
Back in India, Nehru tried to explain the Indian responsibility to defend not only Indian territory but also the territories of those countries which India had pledged to undertake in 1950. Obviously, Nehru was referring to the expansionist Chinese threat from the north and the treaties signed between India with Nepal, Bhutan, and Sikkim respectively. In the same vein he tried to defend his statement in the Parliament in November 1959 by making public the Letters exchanged along with the Treaty of Peace and Friendship. However, accepting Koirala's statement, Nehru said in the Rajya Sabha that

"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." 62

Koirala's visit to India

Deteriorating relations between India and China which could disrupt peace and tranquility in the Himalayas and the reaction of the Nepalese against Nehru's Statement were reasons ample enough to re-emphasize and

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62 In the seven hour long debate on India and China relations Nehru made the letters exchanged along with 1950 Treaty public to counter the criticism in Nepal on common Indo-Nepal security perceptions and the allegation in India that the Government had not foreseen the Chinese threat as the Treaties were signed way back in 1950s with Nepal, Bhutan and Sikkim. Refer Rajya Sabha Debates, vol.27, nos. 1-12, 8 December, 1959. col. 1716- 1718, The Statesman, 9 December 1959.
strengthen ties with India. Koirala visited India in January 1960 and discussed variety of subjects ranging from the international situation to the matters of economic cooperation between the two countries. In the Joint Communique signed on 29 January, both the Prime Ministers consented to have vital interests in "each other's freedom, integrity, security and progress" and agreed to consult each other on matters of common interest.63

Addressing a press conference in Chandigarh on 31 January, Koirala said that a joint defence between India and Nepal was unnecessary because the military alliances were "worse than useless".64

Though Koirala did spell out Nepal's neutral stand in Sino-India border dispute, he was aware of Nepal's obligations to the joint security interests with India.65 The Communique revealed the existence of basic understanding on mutual security interest. In fact from Nehru's visit in June 1959 onwards, India and Nepal made an attempt to have a mutual understanding on the potential grave situation in the Himalayas. Diplomatically through consultations, India tried to take care of the situation which had arisen over the validity of McMohan line with China.

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63 For the text of Joint communique refer Foreign Policy, n.55, pp.343-344.
64 However in 1950 Koirala had proposed a common defence and foreign policy with India. For the text of the Press Conference See Bhasin, n.3, pp.75-76.
Koirala's Visit to China

Keeping with the new found policy of "equal friendship with all" Koirala paid a visit to China from 11 to 22 March 1960 and discussed the matters of common interest with Chou-En-lai.

On 21 March 1960 an "Agreement on the question of boundary" was signed between the Chinese Premier Chou-En-lai and the Nepalese Prime Minister B.P. Koirala.\(^66\) They agreed to delineate boundary scientifically on the 'basis of traditional customary line' (article I). And for this purpose a Joint Committee consisting of equal number of delegates from both the countries was formulated (article II). It was accepted to demilitarize 20 kilometers on either side of the border from where armed personnel were barred entry and only administrative personnel and civil police were allowed to function there (article III).

In Agreement of Economic Aid, China pledged to give one hundred million Indian rupees with no strings or privileges attached.\(^67\) But this time China provided Technical Aid Assistance in order to establish Chinese Aid Mission in Nepal. Gradually China was trying to increase its influence in Nepal. It had border problem with India but it tried to solve border issues with Nepal and in the process tried to portray its image as one wanting to solve boundary issues.

\(^{66}\) See the Text of the Agreement in New Development, n.8, pp.21-24.

\(^{67}\) Ibid., pp.25-28.
In view of the deterioration in relations between the two Countries, Nehru wrote to Chou-En-Lai on 5 February 1960 that a solution could be thought of after their meeting.\textsuperscript{68} Chou-En-Lai with his deputy Marshall Chen-Yi arrived on 19 April. Long discussions ended unsuccessfully on 25 April 1960 with a Joint Communique claiming that the talks between the two countries were cordial but it could not resolve the then existing differences.\textsuperscript{69}

On his way back to China Chou-En-Lai stopped over in Nepal from 26 to 28 April. His meeting with Nepal's Prime Minister was fruitful as it resulted in the \textbf{Treaty of Peace and Friendship} signed on 28 April 1960.\textsuperscript{70} The treaty affirmed their faith in Panchasheel. The Signatories recognized the independence, sovereignty and territorial integrity of one another (article I) and agreed to settle their mutual differences through peaceful negotiations (article II). Nepal and China agreed to develop their economic and cultural relationship with the spirit of equality and mutual benefit and non-interference in each other's internal affairs (article III).

\textsuperscript{68} \textit{India-China Conflict}, Publications Division, Ministry of Information and Broadcasting, New Delhi, February 1965, p. 6.

\textsuperscript{69} \textit{The Chinese Threat}, Publications Division, Ministry of Information and Broadcasting, New Delhi, January 1963, pp. 62-63.

\textsuperscript{70} Text of the treaty in G.V. Ambedkar, V.D. Divekar, \textit{Documents on China's Relations with South and South East Asia (1949-1962)}, (Bombay, 1964), pp.56-58.

Also refer \textit{Hindustan Times}, 29 April 1960; 30 April 1960.

The issue of Treaty of peace and friendship was first raised during Koirala's visit to China which was turned down by the later. See \textit{Hindustan Times}, 15 April 1960.
China and Nepal were strengthening their friendship when Sino-Indian relations were deteriorating. The Treaty was to set aside any Nepalese fear of China's border skirmishes with India. Also, the Chinese concern in Nepal was to contain any overt or covert assistance to the Tibetans. China also made another diplomatic move towards Nepal by trying to solve the issue of ownership of Mount Everest by claiming it to be on the boundary line and trying to settle it through negotiations.\textsuperscript{71}

In the meantime, the Chinese troops fired on the Nepalese police party at Mustang region of the North-West Nepal on 28 June 1960. On Nepal's protest, China admitted the incident as a result of carelessness of its low ranking officials and agreed to pay Rs. 50,000 as compensation.\textsuperscript{72}

China had successfully attempted to solve the contentious issues with Nepal showing the spirit of accommodation and understanding. The big powerful nation treating a small country with generosity gained China a number of sympathizers in Nepal. In fact some Nepalese still compare China with India that when India had border problems with China, Nepal had


\textsuperscript{72} Rose, n.4, p.228. Also refer \textit{The Statesman} 28 July 1960; 27 July 1960 for the exchange of letters between Koirala and Chou-En-lai to solve the issue.
cordial relations with the latter.\textsuperscript{73} Shailendra Kumar Upadhayaya, the former Foreign Minister of Nepal, stresses that the security perceptions of India and Nepal are different and asks India not to impose its security perception of Chinese on them.\textsuperscript{74} It was a major diplomatic gain for China to increase its influence in Nepal and isolate India.

Simultaneously, Indo-Nepal relations deteriorated considerably when King Mahendra dismissed the parliamentary system and took control of power in his hands on 15 December 1960.

\textbf{The Royal Take Over}

After the King took over power in December 1960, many Nepalese Congress leaders and workers were arrested. And some came to India, under the leadership of Deputy Prime Minister Subarna Shamsher who reorganised the Nepali Congress party in exile.\textsuperscript{75} The King retained the authority over Army as the Supreme Commander-in-Chief and appointed Army officers to the

\textsuperscript{73} In a personal interview to the researcher these views were expressed by the former Nepalese Ambassador to India, Jagadish Shumsher Rana, 18 April 1994 and also Dhruba kumar, Director CNAS, 16 May 1994. Kathmandu.

\textsuperscript{74} The views were expressed by Shailendra Kumar Upadhyaya, former Foreign Minister of Nepal, in an interview on 2 May 1994, to the researcher in Kathmandu.

\textsuperscript{75} Rose, n.4, p.233, \textit{Nepal Samachar}, 9 January 1952.
key positions in civil administration. He thus, used the Army to consolidate his strength.

The King justified the dismissal of the Koirala Government by alleging that the Nepali Congress government advanced its party interests, made the administrative machinery ineffective, misused their powers, encouraged corruption, and failed to control the law and order situation by adopting impractical measures. To avoid such lawlessness the Government was dissolved, according to article 44 of the constitution, in the interests of Nepal and its people.

The impact of the Royal take over was not received favourably in India. Nehru considered it as 'a setback to democracy' and a matter of 'grave concern' and 'considerable regret' and as it happened in 'a country on our threshold'. The Indian leaders championing the cause of democracy, could

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76 Joshi and Rose, n.24, p.390. It should be noted that till today King is the supreme Commander-in-Chief of Army.

77 Text of King’s proclamation dissolving the cabinet and both the Houses of Parliament on December 15, 1960 in H.M. King Mahendra, Proclamations, Speeches and Messages, Vol- II, Department of Publicity Ministry of Information and Broadcasting, HMG, Nepal, Kathmandu June 1967, pp 1-3. Also in Devkota, n.7, p.646.

78 Nehru reacted on the dissolution of Koirala Government while attending the ‘motion for adjournment and calling attention to matter of urgent public importance in Lok Sabha. See Lok Sabha Debates, Series-II, vol.49, no.25, 16 December 1960, col. 5975.

not accept dissolution of a democratic government. Instead of focusing on their national interest to retain friendship of Nepal, amidst growing Sino-India rift, India criticised King Mahendra.\textsuperscript{80}

The King counter-acted the criticisms of Indian leaders by developing relations with China and Pakistan with whom India had adverse relations. Nepal's position between two giants gave it some flexibility to play one neighbour against another for its advantage.

**King Mahendra's visit to China**

King Mahendra visited China to participate in the October day celebrations in 1961. China utilised the opportunity and recognised King Mahendra's leadership and his positive efforts in the development of Sino-Nepal friendly relations. Speaking at a banquet Chairman Lio Shao described King Mahendra as an 'outstanding spokesman' and an esteemed friend of the Chinese people\textsuperscript{81} China expressed its gratitude to Nepal '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'.\textsuperscript{82} In a friendly gesture China presented three single engine

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\textsuperscript{80} S.D. Muni "India's Nepals Policy: Continuity and Change\textquotedblright. *Mainstream* (New Delhi), vol.6, no.12, 18 November 1967, p.15.

\textsuperscript{81} Speech of Liu Shao-chi, Chairman of the People's Republic of China, at a banquet in honour of King Mahendra in Peking on 29 September 1961, in Bhasin, n.3, p.586.

\textsuperscript{82} Ibid.
planes to Nepal which reached Kathmandu on May 1962. 83

To consolidate their friendship, Nepal and China signed a Boundary Treaty on 15 October 1961, which delimited the entire boundary line on the basis of findings of the Joint Boundary Commission set up in November 1960. 84 The contracting parties agreed to settle any dispute arising from the border settlement through 'friendly consultations' (article IV). The Treaty settled the issue of Mount Everest by agreeing to the Chinese stand that the boundary line passed through it (article 1, Para II). 'By the treaty Nepal has gained 300 sq. miles' declared King Mahendra after returning to Nepal and further expressed that 'in connection with the border area and Sagarmatha that the northern boundary area dispute has been solved in such a manner as to benefit Nepal'. 85

Another agreement on the construction of Highway Connecting Kathmandu with Kodari in Tibet was signed on 15 October. China undertook the responsibility for the construction of Highway in Nepal's territory. 86 For this, it agreed to pay 3,500,000 pounds-sterling as an economic aid in installments to Nepal with no strings of conditions or

84  For the Text of the Boundary Treaty see Bhasin, n.3, pp.284-289.
85  From the speech of King Mahendra in a civic reception on his honour after he returned from China and Mongolia in speeches, King Mahendra, n.77, p.56.
privileges (article I). China agreed to supply technical assistance, machines and material and assistance to train the Nepalese technicians and skilled workers for the construction of the Highway (article II).

The construction of Kathmandu-Kodari road was started in May 1963 and was made jeepable and open for limited traffic on 25 December 1964. About 700 Chinese and 10,000 Nepalese were engaged in construction work in October 1965. The construction of the Highway was completed in May 1967 and was inaugurated by the King on 26 May 1967. The estimated cost in the construction of Kathmandu-Kodari Highway is reported to be Rs. 7.68 crores (N.C.). It is a 65 mile long Highway which starts from Bhaktapur and passes through Sanga, Bhanjyang, Panchkal, Dolalghat, Balephi, Barabise, Zirpu and Kodari and terminates at the Friendship Bridge marking the Nepal-China border. In 1967, it was decided to extend the terminus point of road from Bhaktapur to Kathmandu. The Highway has 23 bridges and 477 culverts.87

The breadth of the road varies from 5.5 to 7.5 meters. Of its total length 77.45 kilometers is covered with a 4 cm deep bitumen and the rest of the road consists of stone. On an average the sight distance on the road is around 25 meters.88 The Chinese took the responsibility for maintaining

87 'Economic Assistance to Nepal from various countries' Indian Cooperation Mission, Kathmandu, 19 October 1967.
it till the end of 1970.89

The Kathmandu-Kodari road was viewed as having immense strategic and political importance because through Kuti pass, China could have an easy access not only to Nepal but also to India which was well connected with the latter. The construction of the Highway was the first major breach of Nepal Himalayas from the North. It was a diplomatic gain to China which could threaten India and Nepal alike that their border was accessible to Chinese military bases from Tibet to Kathmandu Valley.90 It also brought economic gain to China who invested huge amount into the project. China faced difficulty in supplying basic commodities to Tibet from the east (szechwan) and north (Tsinghai) because of difficult terrain and the interruptions in the flow and blockages by khampa rebels. With the construction of Kathmandu-Kodari road, rice, petrol and other essential items from Nepal Terai could be imported to Tibet easily and at a much cheaper rate.91 Possibility of Indian goods, like kerosene, petrol, khaki drill and cement, being smuggled to Tibet through the Kathmandu-Kodari road was present as the trade between Tibet and Nepal was little and on the other hand India supplied oil and other essential items to Nepal.92

89 Hindustan Times, 26 February 1970.
91 Rose, n.4, pp. 240-1.
92 Hindustan Times, 21 October 1961.
China and Nepal had talked about the road construction project at their previous meetings on various occasions. The talks on the construction of the Highway was first propagated by the Nepali traders who asked the visiting Chinese Premier Chou-En-lai in 1957 to restart the traditional commercial route. In 1960, the issue was raised again when Chou-En-lai visited Nepal. B.P. Koirala rejected the proposal on the ground that the road did not have much economic value for Nepal.\(^93\) The issue was revived again in 1961 when Nepal's relations with India were strained over the overthrow of the democratic government of B.P. Koirala. The Chinese gave much needed moral and material support to the King's regime which was not forthcoming from India. Nepal maintained that the road would serve as an outlet to Nepal's trade and commerce. The purpose of the Highway was to revive and promote the commercial traffic between Nepal and China which existed since ancient times.\(^94\)

The road proposal gave a psychological boost to the Nepali Nationalism which had taken an anti-Indian turn due to the presence of the anti-Panchayat Nepali congressmen in India.\(^95\) It shows the maneuvering capacity of Nepal to use China against India when their relationship was at

\(^{93}\) Muni, n.88, p.22. Muni says the Road Agreement was pre-planned by the Chinese who proposed it in lieu of the support to King's regime.

\(^{94}\) King Mahendra described the road agreement in accordance with the modern times, King Mahendra, speeches, n.77, p.57.

\(^{95}\) Ramakant, n.44, p.187.
a low ebb. The King was aware of the strategic and political significance of the road and its importance as a bargaining tool in negotiations with India. Nepal wanted India to withdraw its support to the Nepali congress rebels in their territory and hand them over to the Nepalese authority.

India assured absence of armed organisation of Nepali rebels in its territory and also insisted that the Nepalese in a peaceful manner without offending the law.96

**King Mahendra’s India Visit**

King Mahendra visited New Delhi on 18 April 1962, on the invitation of the Indian Prime Minister. In Indian calculation an unfriendly, unstable Nepal was not in its interest when the Sino-India relations were at a low keel. India considered a strong, stable and prosperous Nepal essential for its own security and prosperity.97 During his stay, discussions were held on the contentious issues of the rebel Nepalese in India. However, King took a hardline position and said that ‘statements, propaganda and activities by irresponsible elements’ against the Kingdom can affect the friendship

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97 See the Joint Communique issued at the end of King Mahendra’s visit to India in 23 April 1962 in Foreign Affairs Record, vol.VIII, no.4, April 1962. p.99.
between the two countries and act as a hurdle in cementing the friendly ties on a permanent basis. King Mahendra tried to convince India that its relations with China were based on Panchasheel and the Kathmandu-Kodari road was essential for trade and commerce with Tibet. He said in another Press conference that the road had economic significance for Nepal which was an internal matter of the country and hence, outside the purview of consultations with India.

In the meantime due to a clash between the Indian intelligence officials and armed Nepalese in a border town of Raxaul in India on 29 September 1962, the flow of essential commodities was hampered and halted. To Nepal, the people involved in the clash were 'armed Nepali Congress rebels' and India considered them as 'Nepalese Policemen'. The

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99 See the King's Speech in the Indian Council of World Affairs on 20 April 1962 in Ibid., pp. 145-159.

100 In the Press Conference on 22 April King disclosed the purpose of his visit was to clear misunderstanding between the two countries due to rebel anti-national Nepalese and not to discuss internal matters of Nepal.

Bhasin, n.3, pp.76-78.

101 At the Indo-Nepalese Friendship Association reception, New Delhi 6 September 1962 the Nepalese Foreign Minister Rishikesh Shaha said the raids to be engineered by Nepalese dissidents in India. Similar sentiments were expressed by the Home Minister Vishwa Bandhu
standstill in movement of goods across the border coincided with the Nepali festival Vijaya Dashmi and on that occasion the King hinted at the Raxaul incident as an 'unfriendly act'. While asserting that Nepalese were capable of looking after the welfare and security of their country, he said we "will never bargain away the interests of our country from fear of anybody's threat whatever be the nature and dimension of the threat".\(^{103}\)

To further worsen the already strained Indo-Nepal relations, on 5 October 1962 Marshall Chen-yi of China gave unequivocal support to Nepal in the event of any aggression or attack. On the occasion of a banquet to celebrate the first anniversary of the signing of the China-Nepal border agreement, Chen-Yi said: "In case any foreign army makes a foolhardy attempt to attack Nepal,... China will side with the Nepalese People".\(^{104}\) The statement was welcomed as a gesture of friendship by the officials in Kathmandu.\(^{105}\) Nepal's reaction was in violation of its mutual security concerns with India. Nepal already had the Treaty of Peace and Friendship with India in which they pledged to help each other in times of conflict or...

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102 Refer Muni, n.1, p. 119.
103 See Hindustan Times, 9 October 1962.
aggression by a foreign aggressor. However, no where agreed to take another country's help in case of aggression.

China made an attempt to weaken the security arrangements between India and Nepal before the Sino-India war. First the statement of Marshall Chen-yi was significant as it preceded the Sino-India war by two weeks and later China attempted to dissuade Gurkhas from fighting in the Indian Army by calling them mercenaries and tried to create fissures between them and Indian soldiers. The Chinese maintained that the Indians and Nepalis were not friends, thus trying to weaken the already strained India-Nepal relations.\(^{106}\) India was Treaty bound (1947) to employ the Gurkhas in its Armed forces and sent Indian Military liaison Group in Nepal to train and modernize its Army. The checkposts in the north of Nepal were manned by Indian technicians for security considerations. China also demanded withdrawal of Indian technicians from the military checkposts on the Nepal-Tibet border.\(^{107}\)

In fact, Beijing adopted a militant posture in 1962 and tried to contain India by maintaining cordial relations with Nepal and Pakistan. In May 1962 China and Pakistan held talks on delimitation of boundary between North Gilgit and Hunza in the Pakistan occupied Kashmir and Sinkiang in China. The signing of border agreement with Pakistan in 1963 shows the Chinese

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\(^{106}\) See Dalvi, n.47, p.151.

\(^{107}\) Refer Muni, n.1, p.122.
intention to make a common front against India who was their common enemy.\textsuperscript{108} As noted earlier, China was trying to breach the Himalayas by consolidating its relationship with Nepal.

In such circumstances India made a fundamental change in its foreign policy towards Nepal. The flow of goods across the border was resumed. Also, the Nepali Congress rebels in India called off their agitation. Thus, the King emerged unscathed from the economic pressures and the activities of the rebel Nepalese in India due to the Chinese attack on India.

**The Sino-India War**

In October 1962 a major border war flared up in the northern border of India. The conventional Indian defence proved ineffective in NEFA and Ladakh against the Chinese tactics, equipment and capabilities. China had taken possession of Ladakh and entered NEFA and was near 40 miles of Tejpur and 100 miles ofDigboi oil fields. India sent appeal for military help to London and Washington which was readily accepted and the first consignment of British aid arrived on 29 October and American aid was received on 1 November. However, before the events could take yet another turn with the involvement of extra regional powers, China unilaterally declared cease fire on 20 November. China retained 32000 sq. miles of

\textsuperscript{108} Refer Mullick, n.41, p.329.
NEFA and parts of Ladakh originally belonging to Indian territory. The Chinese attack showed China's expansionist policy and its intentions towards neighboring countries especially, in the context of their claim of Himalayan territories as part of China in early 1900's. As stated earlier, China had regarded Nepal as its feudatory and Sikkim and Bhutan as friendly states in 1910. Of these claims the Indian territory of 14000 sq.miles in Ladakh, and 32000 sq.miles in NEFA were already occupied by China in September 1959.

Nepal was, also, concerned about its own security from the war between two hostile neighbours. The Chinese expansionism was evident in its advancement and attack on India. Nepal apprehended possibility of change in the balance of power between its neighbours which could affect its continuation as an Independent entity. Thus, Nepal improved its relations with India and even allowed the service of the Gurkhas to be utilised in the Indian Army without giving attention to the Chinese demand to recall Gurkhas.

The balance of power policy and equal friendship with all pursued

109 Kavic, n.52, pp. 177-187.
110 Refer Rose, n.4, p.163.
111 S.S Bindra, India and Her Neighbours (New Delhi, 1984), p.103.
112 Joshi and Rose, n. 24, p. 479.
113 Refer Ramakant, ed., China and South Asia (New Delhi, 1988), pp. 136-137.
vigorously by Nepal came to a standstill till the fighting continued. In a Press interview on 10 November 1962, King Mahendra said that:

"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."114

**Impact of the Sino-India War**

The Sino-India war affected India's image in South Asia. It demonstrated China's potential to militarily intervene in South Asian affairs.115 It's defeat gave an alternative to other South Asian countries to use China as a countervailing force against India. China's growing relationship with Pakistan, Nepal and later its emergence as an arms supplier to Pakistan in the Indo-Pak war in 1965 reveals its ready assistance to South Asian countries against India. For instance, Chou-En-lai visited Pakistan in 1964 and supported Pakistani demand for a Plebiscite in Kashmir. During Indo-Pak war in 1965, the U.S. had imposed arms embargo on both the belligerents. In search of new arms suppliers, Pakistan gradually moved towards China. In March 1965 Ayub Khan visited China and secured Chou-En-lai's assurances of support to Pakistan in the event of an Indian

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114 In a Press interview to the Rastriya Sambad Samiti, Kathmandu on 10 November 1962 in King Mahendra, Pages of History, n.98, pp.198-202.

115 Werake, n.42, p.407.
aggression. The Sino-India war had introduced China as an influential extra-regional power in the Indo-centric South Asia.

The Indian defeat in the Sino-India war aroused criticism from all the quarters in India against the policy of peaceful co-existence and Hindi-Chini-Bhai-Bhai slogan. Fresh moves were made to replenish Indian armed forces. The Indian government after reviewing the military needs and requirements through 1962-63 announced the next Five Year Plan as "Defence Plan."

The Indian efforts to repair and modernize its armed forces was watched with suspicion by its neighbours and China alike. China was disturbed by the support rendered by the nuclear powers like the U.S., U.S.S.R. and U.K. in modernizing Indian armed forces. Especially after the deterioration of Sino-Soviet relations, the Soviet military help to India perturbed China. The natural outcome of these developments was China's closeness to Pakistan which had strained relations with India since its inception. In fact, the most important repercussion of Sino-Soviet rift in South Asian politics was polarisation of India towards Soviet Union and

116 Achuthan, n.16, p.52.


Pakistan's reliance on China.\textsuperscript{119}

China's support to Pakistan can also be attributed to its interests in Aksai Chin which could have been affected had India succeeded in taking back its territory.\textsuperscript{120} China signed a military contract with Pakistan to the tune of $120 million in July 1966.\textsuperscript{121}

Nepal, caught geographically in the crossroads of the great land powers of Asia, Soviet Union, China, Pakistan and India gained more importance in India's security concerns.\textsuperscript{122} India re-adjusted its policy towards Nepal and gave primacy to its territorial integrity and cordial relationship rather than the form of political set up that it had adopted which was the irritant between them.\textsuperscript{123} India accepted the Panchyat System in Nepal and the King as its supreme leader. Both India and Nepal tried to improve their relationship and focussed their attention on strengthening their security and economic ties.

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\textsuperscript{120} Werake, n.42, p.409.
\textsuperscript{123} Muni, n.80, p.16.
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Economic Aid to Nepal

On his goodwill visit to Nepal from 23 to 25 April 1965, Prime Minister Shastri, stressed the common culture, tradition between the two countries and their similar outlook on international issues and belief on non-alignment and peaceful co-existence amongst which differences arose at times but 'then differences occur even among brothers.' He, also, emphasised on joint efforts to harness water resources and India's aid and assistance for the development of Nepal. In a Joint Communique signed on the occasion, both the countries agreed to strengthen friendly relations between them and India's readiness 'to cooperate in Nepal's accelerated development' in 'the economic, social and other spheres.'

India undertook construction of roads in Nepal to improve the internal communication link up. Agreements on Sunauli-Pokhara road, Balaju road, Tripurashwar-Thankot, Janakpur townroad, East-West Highway, Kosi area road, Kathmandu- Godavari road were signed. (A list of roads constructed by India in Nepal is in Table III) India constructed 305 miles of roads costing 25 crores and for the construction of 8 North-

125 *Hindustan Times*, 23 April 1965.
127 *Hindustan Times*, 26 April 1965.
South roads 1.37 crore and services of engineers was provided to Road Transport Organisation in Nepal.\textsuperscript{129} India drew a comprehensive programme in 1964 for improvement of airfields in Nepal at Bhairwa, Janakpur, Simra, Biratnagar and Pokhara.\textsuperscript{130} Also a Telecommunication agreement,\textsuperscript{131} Postal agreement\textsuperscript{132} and an Air agreement\textsuperscript{133} were signed between India and Nepal.

However, Nepal did not put all its eggs in India's basket and tried to diversify its sources of economic aid, trade and financial assistance. The Diversification Programme was started by the Ranas in early fifties to thwart India's overbearing presence. After the Sino-India war, King Mahendra used it effectively to exploit maximum gain in economic and political field, for

\begin{itemize}
\item \textsuperscript{129} \textit{Cooperation for Progress in Nepal}, Directorate of Advertising and visual Publicity, Ministry of Information and Broadcasting, Government of India for the Ministry of External Affairs, Calcutta, 1966.
\item \textsuperscript{130} Agreement between Nepal and India for the development of Airports in Nepal signed on 1 May 1964. India gave financial assistance of Rs. 50 lakhs (IC) for the construction/improvement of airports.
\item \textsuperscript{131} Text of Indo-Nepal Telecommunications Agreement on 25 June 1964 in \textit{Foreign Affairs Record}, vol.10, no.6, June 1964. p.168.
\item \textsuperscript{132} Three agreements were signed between Nepal to India and regarding exchange of letter, insured and parcel post on 8 September 1965 in New Delhi refer \textit{Foreign Affairs Record}, vol. 10, no.9, September 1964.
\item \textsuperscript{133} Agreement for the operation of Air services was signed 26 November 1964. Earlier the air services between the two countries operated under temporary authorisation, Refer. \textit{Foreign Affairs Record}, vol.10, no.11, November 1964.
\end{itemize}
example, in 1961 the East-west Project was first offered to India and U.S. who showed no enthusiasm in it. However, the Chinese acceptance to take up the project infuriated India as it would have meant the presence of Chinese near the Terai border. Finally, New Delhi and Washington agreed to undertake the entire road project.  

In the sixties, King Mahendra succeeded in not only creating competition amongst donor countries but also strengthened his position at home by demonstrating non-aligned stance between his neighbours. Since 1961 Nepal attempted to make alternative arrangements in economic, political, diplomatic relations in order to distance itself away from India. The readiness of western donors gave Nepal greater flexibility to create competition between them.

The American aid to Nepal since 1962 was channeled through Foreign Assistance Act which mainly concentrated on human resource development and administrative structure for planning and management. Through their advisers in all the departments of HMG, the U.S. gained access to every nook and corner of Nepal. For instance, the American help is visible on the Kathmandu-Hithaura Ropeway, Central Telephone Exchange at Kathmandu, Educational Buildings at Thimi and Kirtipur, Multipurpose School Building at Pokhara, Hithaura Narayan ghat sector of the East-West Highway. The Russian aid was industry-oriented. China assisted in the Three Year Plan (1962-65) in Nepal by 30 crores (NC) and agreed to undertake

134 Rose, n.4, p.97.
establishment of bansbari leather and shoe factory, brick and tile factory at Lalitpur, warehouse at Birgang and Kathmandu. U.K., Yugoslavia, Poland, Pakistan, Israel, Switzerland, Canada, Newzealand also made their presence felt in Nepal through grants and aid. However, India still remained the major contributor of economic aid to Nepal. The Indian aid commitment to Nepal till 1977 was Rs.88.30 crores (NC) of which Rs.48.30 crores (NC) were already spent by 1966. America, the second major aid contributor to Nepal had committed for Rs. 74.43 crores (NC). 135

Diversification in Defence

The Indian defeat in the Sino-India war led Nepal to rethink on its reliance on India for its security against any possible aggression. 136 Even now one hears in Nepal that if India could not defend its own-territory against China then how can they ensure the security of Nepal. 137 Hence, Nepal decided to modernise and increase the fighting strength of its Army and asked for Indian assistance. India supplied small arms and mortar ammunition, grenades and demolition stores, spares for 2" and 3" mortars and flying equipment for use of pilots, woollen items, cloth OG Drill and

135 Indian Cooperation Mission, n.87.
136 Rose, n.4, p.272.
137 These are the views of a Senior Political leader of CPN (U.M.L.), Nepal, given in an interview to the researcher on June 1994. who wishes to remain anonymous.
cellular for summer uniforms and repair facilities for the field guns of the artillery regiment was provided in Gun carriage factory in India.\textsuperscript{138} India sent General J.N. Choudhary, Chief of Army staff, to Nepal in June 1963 who discussed matters of common interest with Kathmandu. However, New Delhi was burdened with the expansion and modernisation of its own Armed forces and was unable to provide any definite assistance to Nepal.\textsuperscript{139} Thus, Nepal decided to diversify its sources for defence supplies. In a press note the King declared his decision to modernize the arms and equipments of the Royal Nepal Army for which discussions were held with the Governments of U.K and U.S.A., the countries friendly to Nepal.\textsuperscript{140}

Tulsi Giri, the minister for foreign affairs, visited Washington and London in September-October 1963 with a view to obtain military assistance. The American and British were cautious in their discussions with Nepal due to their concerns over New Delhi’s reaction. Initially India suggested that the military aid should be channeled through India’s military assistance programme. However, Nepal preferred to have a direct dealing with the U.S. and U.K. as the Indian involvement would have been contrary to its diversification programme. Seeing no other option opened, New Delhi accepted the Nepali position. An Arms Assistance Agreement was signed between the

\textsuperscript{138} Brief on the ‘Indian Military Liaison Group’ by the Military Wing, Indian Embassy, Kathmandu, n.d.

\textsuperscript{139} Refer Rose, n.4, p.149.

\textsuperscript{140} \textit{Nepal News}, (Kathmandu) vol.3, nos, 6-7, 29 March 1964, p.2.
U.S., U.K. and Nepal in March 1964 dealing with the supply of military aid to Nepal. Military assistance worth $4 million equally shared by the U.S and U.K started reaching Kathmandu from October 1964.\textsuperscript{141} It was agreed to deliver modern light weapons, military equipments and medical supplies to Nepal.\textsuperscript{142}

After watching Nepal's efforts to diversify its sources for arms supplies, India started consultations from 1963 which resulted in an \textbf{Arms Assistance Agreement} in January 1965.\textsuperscript{143} (For text of the agreement see Appendix VII) The main thrust of the Agreement was on reorganisation and modernisation of the Nepal Army. The Government of India undertook "to supply arms, ammunition and equipment for the entire Nepalese Army on the basis of a total strength of about 17000 men, comprising of four recognized brigades" (clause 3(a.) and also agreed to "replace the existing stock of Nepalese weapons". (clause 3(b)). The military assistance provided by India was for Nepal's use only and "not be diverted to any third party" (clause 3(f)). The Agreement tried to rule out any possibility of the arms being diverted from Nepalese territory to Sikh terrorists or Kashmiri militants, who

\textsuperscript{141} Rose, n. 4, p. 273.
\textsuperscript{142} Muni, n.1, p.147.
are inimical to India's security. 144

India also undertook the responsibility to train the Nepalese armed forces personnel in the Defence establishments in India bearing the expenses incurred in their training. The RNA had been given training in the Indian training institutions since 1952 when IMM had visited Nepal (refer chapter II).

The Arms Assistance Agreement considered that the Governments of the U.S. and the U.K. would "furnish some defence assistance to His Majesty's Government with a view to supplementing assistance from India". There appeared coordination between the Governments of US, U.K and India to supply arms assistance to Nepal as provision IV says that" the Governments of U.S and U.K have given the Government of India to understand that if there are any shortfalls in the supply of arms and equipment by the Government of India, these two Governments will fill the gaps to the extent of their ability". Thus, India's role as the primary supplier of arms to Nepal was emphasized. However, Nepal was "free to import from or through the territory of India, arms, ammunition or warlike material and equipment necessary for the security of Nepal". This provision was the mere repetition of the security concerns included in the Treaty of Peace and Friendship (article V). 145

Defence stores were being supplied to Nepal till 1961-62 under the

144 Ibid.
145 Ibid.
CHAMAK programme under which supplies worth Rs.1.05 crores were made on a credit basis. However, as per the 1965 Arms Assistance Agreement India was ready to provide arms on a grant basis. The items to be supplied to Nepal under the 1965 Agreement were categorised under Priority I and Priority II list. In May 1972, India met the Nepalese demands of arms under Priority I list and supplied arms worth Rs. 3.05 crores on a grant basis and Priority II list items were subsequently supplied in 1978 at the cost of Rs.7.07 crores.\textsuperscript{146}

India’s security concerns towards the Himal had remained unchanged from the days when China turned Communist and occupied Tibet. The potential Chinese threat of the fifties had become a reality in 1962 and in these circumstances the importance of the Himalayan Kingdom as a friendly buffer increased in India's strategic concerns. In 1950, India had signed the Treaty of Peace and Friendship with Nepal to take care of its security interests by ensuring a friendly country in the North. After witnessing a Royal Coup in Nepal, Sino-India war, withdrawal of Indian Military Training and Advisory Group and Nepal’s search for Arms suppliers, India signed the Arms Assistance Agreement which was concluded within the framework of the 1950 Treaty and took into consideration the security concerns in the Himalayas.

\textsuperscript{146} Brief on 'Supply of Arms to RNA as Grants-in-Aid Sale-Subsidised Rates of Sale', Paper no. MA/226, 6 June 1994.
Bista's Statements: Erosion of Security Concerns

The security arrangements between India and Nepal which were experiencing changes due to Nepal's adherence to diversification of its arms sources, suffered serious erosion in the late sixties. It was the domestic threat arising from the Nepali Congress against the Panchyat System that the King took recourse in anti-India stance. The Nepali Congress had restarted its agitation after the release of B.P. Koirala in October 1968 and it is stated that the Indian Ambassador to Nepal, Raj Bahadur was instrumental in securing Koirala's release. It showed India's interest in the Nepali Congress which made 'India more as an adversary than an ally'.

In May 1969, the Prime Minister of Nepal, K.N. Bista and Foreign Minister, Raj Bhandari discussed the entire gamut of relationship with India in New Delhi. During the course of talks, the Nepalese suggested withdrawal of the Indian technical personnel from Nepal-Tibet border and change in the status of IMLG. Talks were further held in Kathmandu between the Nepalese officials and the Indian Foreign Minister, Dinesh Singh in June 1969. Emphasising on the special relationship between India and Nepal, Dinesh Singh maintained that India had no 'big brotherly' attitude

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148 Dinesh Singh replying on withdrawal of IMLG and India's wireless operators in *Lok Sabha Debates*, vol. 30, no.1, 21 July 1969.

149 Refer *The Statesman*, 7 June 1969.
towards Nepal but wanted the age old historical and traditional ties to strengthen. Addressing a press conference, Dinesh Singh said that "situated as India and Nepal are with an open and common border both had similar problems of security, which however, did not mean there was any defence pact between the two". The security arrangements were established with Nepal due to very close relationship in view of open border and free flow of people and goods between the two countries. Thus, any change in the security arrangements would have meant changes in the entire gamut of special relationship ranging from the open border to social, political and economic relationship. The discussions held in New Delhi and Kathmandu were political in nature reprimanding Nepal not to use the issue of Indian checkposts on Nepal's border with Tibet or the continued functioning of the IMLG in Kathmandu as a bargaining means to extract concessions.

The Indian Foreign Minister's discussions with the Nepalese counterpart elicited an adverse reaction in Kathmandu. Bista was highly vocal on the Indo-Nepal security arrangements. He described the 1950 Treaty as outdated and non-operative and it was not essential to inform each other while developing relations with any third country. Holding India

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150 Refer The Statesman, 8 June 1969.
151 Refer The Statesman, 9 June 1969.
152 Refer The Statesman, 10 June 1969.
153 Ibid.
responsible for violating the provisions of the Treaty, Bista said that "Developments have taken place in India's relations with the Soviet Union and the United States on the one hand and with Pakistan and China on the other. Nepal was not informed of these developments and India therefore herself assumed and has led Nepal to assume that exchange of information in such cases is unnecessary". The charges of Bista against India does not sound convincing because no military pact was signed with the aforesaid nations except that India procured some military equipment from the U.S. and USSR and the developments in Sino-India and India-Pakistan relations 'are a matter of public knowledge'. Expressing the Nepalese stand on the Arms Assistance Agreement of 1965, Bista unequivocally annulled it. He said that "Nepalese Government has written to New Delhi that so far as Nepal is concerned the agreement does not stand anymore". He also asked for the withdrawal of IMLG and Indian technical personnel from the checkposts as their work was complete and Nepal had its own trained, reorganised Army with the Indian help.

Bista had reacted to the special relationship between India and Nepal and said "that Nepal did not believe in the existence of special relationship

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155 See Times of India, 26 June 1969.

156 Ibid.

157 Ibid.
between his country and India." Throwing light on the entire episode Bista says that India was trying to demonstrate to the entire world that it had special relationship with Nepal who had to oblige with Indian concerns. He maintains that the Arms Assistance Agreement (1965) has been annulled as it could not be worked out. He gives the proof of annulment as the silence of the Government of India who did not object or react when the issue was raised in 1969.

Yadunath Khanal, the Nepalese foreign secretary who signed the Agreement on behalf of His Majesty's Government, says that the Indian Ambassador Raj Bahadur had conveyed the wish of the Indian Government to annul the agreement as it had not worked at all. However, there is no proof of the correspondence between the two Governments on the cancellation of the Agreement as it got burnt in the massive fire which broke out in Sheetal Niwas. Jhavendra Narayan Singh, the former Nepalese Ambassador to India, confirms the views expressed by Khanal that the Agreement does not exist anymore.

Confusion persists amongst the scholars whether the Arms Assistance Agreement exists or not as there is no document or proof

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158 Ibid.

159 An interview with K.N. Bista on 16 April 1994 in Kathmandu.

160 An interview with Y.N. Khanal on 5 May 1994 in Kathmandu.

161 An interview with J.N. Singh, the former Nepalese Ambassador to India on 13 May 1994 in Kathmandu.

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known to the people which shows the annulment of the Agreement. The political parties in Nepal have no common standing on the Agreement. The Nepali Congress President K.P. Bhattarai feels that there are two signatories in an agreement and one party cannot arbitrarily revoke it. \(^{162}\) Manmohan Adhikari from UML \(^{163}\) and Baburam Bhattarai \(^{164}\) from UPLF regard the agreement as existing though it has lost its validity whereas Shailendra Kumar Upadhaya, former Foreign Minister of Nepal, considers the agreement as non-existing. \(^{165}\) However, the Governments of India and Nepal have kept silent on the existence of the Agreement.

Nepal's attempt to diversify its sources of military supplies, its demand for the withdrawal of checkposts and IMLG and Bista's statement for the annulment of the 1965 Agreement were the first major breach of the mutual security arrangements between the two countries. The Indian Government expressed its desire to settle the contentious issues at the diplomatic level. After completion of a series of talks between the officials of the two Governments, India agreed to withdraw technicians from the northern

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\(^{162}\) K.P. Bhattarai expressed his views to the Researcher in an interview on 5 May 1994, Kathmandu.

\(^{163}\) The leader of CPM (UML) Man Mohan Adhikari considered the 1965 Agreement as existing, in an interview to the Researcher on 6 May 1994, Kathmandu.

\(^{164}\) Baburam Bhattarai, the leader of United People's Liberation Front expressed his views to the Researcher on 23 May, 1994, Kathmandu.

\(^{165}\) For interview with Upadhyaya refer n.74.
checkposts and IMLG on 18 August 1970.

**Indian Military Liaison Group:**

The Indian Military Liaison group was sent to Kathmandu in 1962 to assist RNA in training, organization and establishment of units besides rendering help in administration.¹⁶⁶ (Refer Appendix VIII).

The IMLG advised and assisted the RNA in availing vacancies for courses in Indian Military Establishments, making arrangements for pre-course training and helping in transfer of personnel returning after completing training. IMLG helped in arranging attachments of RNA with Indian Army Units and also conducted Intelligence quotient tests on behalf of the RNA for selection of candidates as officers.¹⁶⁷

In order to increase the efficiency of RNA, and increase similarity of training between the two Armies, the Government of India gave facilities to the Army personnel in attending courses of instruction in Army schools of instructions including the Armed Forces Medical College, Indian Military Academy, and College of Military Engineering. Their travel expenses air/train from Kathmandu to the place of training was borne by India. No tuition fee was charged and their board and lodging was free. Living allowances of Rs.450 were given to all the commissioned officers.¹⁶⁸

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¹⁶⁶ Same as n.139.
¹⁶⁷ Ibid.
¹⁶⁸ Ibid.
The IMLG assisted the RNA in procuring arms and equipments from India. The Master General of Ordnance branch at Army Headquarter, RNA, took help of the Group in placement of orders in India. The Army Headquarter, India, was informed by the Group regarding the demand of arms by Nepal whereas the Military Attache informed the Ministry of Defence about the same. Once the supply arrived in Kathmandu the packages were always opened in front of the Ordnance Representative of the Group to certify correctness of receipt.169

The most important military link between the two countries are the ex-serviceman of the Indian Army with whom IMLG had made contact by way of imparting free medical facilities to them. The group was running a Free Medical Aid Society in Nepal benefiting the ex-servicemen and the civilian population. The Indian Ambassador in Nepal had provided a grant of Rs. 15000 (IC) per annum for medicines and treatment.

Through the establishment of IMLG India not only organized and modernized RNA but also maintained its military presence in Nepal following the Sino-Indian conflict of 1962. The Group was sent to create an atmosphere of mutual trust, respect and understanding between the Armies of the two countries. It was to ensure that India's association with Nepal in regard to various defence and security matters remained close, continuous and

169 Ibid.
undisturbed".\textsuperscript{170}

At the time of withdrawal the Group consisted of 23 officials and the technicians in checkpoints were 25 in strength.\textsuperscript{171}

In accordance with the understanding reached between the two Governments, Nepal agreed to withdraw its opposition to the article II of 1950 Treaty which deals with the provision on mutual consultation regarding any friction or misunderstanding with the neighbouring state and 1965 Agreement. The King consented on the exchange of military information harmful to their developments and agreed on stationing of an Indian military personnel in the Indian Embassy, Kathmandu, for a specified period and job.\textsuperscript{172}

By 'stationing a senior military officer' in the Indian Embassy it was understood to set up the post of a military advisor and not the military attache who had already been in the Embassy since 1949. The Military Advisor was never stationed in Kathmandu which would have meant a military presence in Nepal. Nepal was sensitive about its special relationship with India and was eager to demonstrate its non-alignment to the world. In such a situation India did not stress for military presence in Kathmandu through an advisor. "India decided not to press things which would have created

\textsuperscript{170} Ibid.

\textsuperscript{171} Asian Recorder, (New Delhi), vol.16, no.6, 5-11 February 1970, p.9379.

\textsuperscript{172} Times of India, 21 October 1970.
unpleasant options." Even understanding on sharing of information inimical to each other's interests remained only on paper. Bista's statements on Indian security sensitivities were timed when the Treaty of Trade and Transit was nearing expiry date in 1970. Nepal had desired separate Treaties on Trade and Transit along with other concessions from India. India agreed to extend the Treaty by an year till negotiations continued but Nepal refused the offer. Once the Treaty expired Nepal asked for an extension which was rejected by India on technical and procedural grounds. To counter the anti-India demonstrations in Nepal the Government of India continued supply of essential commodities. By mid-1971 the economy of Nepal was affected and the people in Nepal held their own government responsible for the deadlock in the treaty negotiations. Thus, Nepal signed a single Treaty of Trade and Transit with India on 13 August 1971.

India withstood the Nepalese challenge to bargain its security concerns with a view to gain economic concessions. This trend in Nepal's foreign policy still continues towards India which can be seen in later events. The security concerns of India and the Nepali sentiments on sovereignty and independence have always run parallel to each other. It can be seen in Nepal's challenge to

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173 View expressed by N.N. Jha in an interview on 2 November 1994 in New Delhi.


the security arrangements with India when the Treaty of Trade and Transit had to expire in 1978 (dealt in chapter IV) and further in 1989 (dealt in chapter V).

Regaining the lost Image in 1971

South Asia witnessed an armed conflict between India and Pakistan and consequently the emergence of Bangladesh as a new state in 1971. The Indian success in the war enhanced its image in the region and had repercussions in the domestic and external spheres of its policies. In the domestic front, the outcome of the war enabled the Prime Minister Indira Gandhi to win mid-term election in most of the states, including West Bengal, in March 1972. The significance of the war in India's external policy lay in assertion of its political will and national sovereignty against the challenge posed by the regional power in concert with the super powers. Thus, India's role as the new regional power was asserted.

The Indo-Pak war clearly spelled out the power-axis in South Asia. The Treaty of Peace, Cooperation and Friendship signed on 9 August 1971 assured the Soviet military and diplomatic support to India. In retaliation, America improved its diplomatic relations with Pakistan and China. In fact China was ready to open a second front against India in order to stop

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disintegration of Pakistan.\(^{177}\) The Chinese intention had paranoid the Himalayan countries, Nepal and Bhutan who expressed their desire to have collective security arrangement with India.\(^{178}\)

China's inability to thwart the disintegration of Pakistan and emergence of Bangladesh despite its opposition towards it exposed its limited economic, diplomatic military capability to challenge the Indian influence in South Asia.\(^{179}\) The nuclear explosion in 1974 and Sikkim's integration in the same year demonstrated a strong India who had progressed way ahead since 1962. In the changing power equation China changed its policy of confrontation to that of accommodation with India.

The limited Chinese help to Pakistan who was an important ally at the time of war brought the realisation at home that in similar circumstances Nepal cannot rely on China. Thus in its relationship with India, Nepal found itself vulnerable and weak as it was before the Sino-India conflict in 1962. This had taken away the effectiveness of Nepal's policy of using China as a countervailing force against India.\(^{180}\) These events


\(^{179}\) Werake, n. 44, p.411.

stalled Nepal's efforts to drift towards China. And as a friendly gesture towards India it recognised Bangladesh as a new entrant state in the region in January 1972. India responded by settling the irritants like the issue of rebel Nepali Congress leaders in its territory. It was decided not to allow any anti-Nepal activities in India and a border zone of 50 miles was created in the Terai region where the Nepali Congress leaders were prohibited to enter.\textsuperscript{181} The understanding between India and Nepal on its security concerns remained cordial till 1975 when Nepal came forward with a new approach to its foreign policy of trying to establish itself as a zone of peace. For Nepal it was another step in the direction of decreasing its reliance on India for its security. Many more changes influencing the security interests between India and Nepal took place after the demise of King Mahendra in 1972 which has been dealt in the ensuing chapter.

Conclusion

The accession of King Mahendra to the throne brought massive changes in Nepal's relations with India. King's persuasion to follow policy of non-alignment with its neighbours and equal friendship with all had an element of anti-Indianism. To Nepal equal friendship with its neighbours

\textsuperscript{181} S.D. Muni, "India and the Himalayan Kingdoms: Security Interests and Diplomacy (1947-75)", paper presented in the Diplomatic studies division, School of International studies, Jawaharlal Nehru University, (New Delhi, 1977), p.34.
meant lessening of its dependence on India.

The special ties with India propounded by King Tribhuvan meant total alignment in their relations. The total dependence on India for trade, commerce, and security brought a feeling of being incorporated or turned into a satellite of India. In this wake Nepal introduced the policy of distancing itself from India. King Mahendra was obsessed with the assertion of Nepal's independent identity minus India's influence. Cordial relations were maintained with China to exhibit that Nepal had more than one neighbour. Hence, Nepal tried to balance its relations between India and China by installing a pro-China government of T.P. Acharya as the Prime Minister of Nepal, who was known for Pro-China sentiments and later by having a pro-India government by K.I. Singh. The policy of distancing with India gave a psychological boost to Nepal's identity as a sovereign independent nation.

The domestic forces also exerted pressure on Nepal to use China as a countervailing force against India. The internal schism between the King's regime and the pro-democracy forces brought a feeling of insecurity at the domestic front. The forces opposing the dissolution of the first elected government of B.P. Koirala were operating not only from within the country but had also crossed the open border towards India. Nepal perceived the anti-regime agitation by the rebel Nepalese being aided and abetted by India. The internal dissensions and political instability had brought a feeling of
insecurity in Nepal. Instead of relying on its own capabilities to attain security, Nepal developed relations with China to counter Indian influence.

The domestic concerns forced Nepal to diversify its diplomatic, political and security relations with other countries. Also, India's defeat in the Sino-India war had tarnished its image as the protector and guardian of the security of the Himalayan states. Nepal tried to modernise its Army by procuring arms from sources other than India. In violation of the Indo-Nepal security concerns, Nepal signed the Kathmandu-Kodari road agreement with China, Arms Assistance Agreement for supply of arms from the U.S., and U.K., and developed relations with Pakistan, with whom India had hostile relations. In the same spirit, Nepal's Prime Minister K.N. Bista asked for the withdrawal of IMLG and Checkposts from the northern border when the Treaty of Trade and Transit were nearing the date for its renewal. These developments in Indo-Nepal relations though influenced by Nepal's domestic compulsions to stabilise its government and secure maximum gains from India, resulted in erosion of security arrangements.

The Royal regime's drive for non-alignment or equal friendship with all did not lose sight of Nepal's geo-strategic location between the two giant neighbours. A sense of insecurity prevailed in the landlocked Nepal caught between hostile neighbours which preferred to remain neutral or non-committal during the Sino-India war in 1962.

The success of a neutral approach depends not only on the desire of a
small state but also on the acceptability of it’s neighbours. Nepal’s limited neutrality during the war could not ignore its security arrangements with India. The Treaty of Peace and Friendship places an obligation on India and Nepal to help each other in times of aggression. The Gurkhas of the Indian Army actively participated in the Sino-India war of 1962 and the Indo-Pak armed conflict in 1971. Also in various meetings and discussions between 1959 to 1960, B.P. Koirala and Nehru reiterated their understanding on mutual security interests. In 1970 Nepal agreed with Indian security interests to share military information harmful to their developments and set up a post of military advisor in Kathmandu.

The Government of India tried to readjust to the new political set up in Nepal but without compromising on its security arrangements. Any violation of the security concerns would mean total re-adjustments in their relationship without any special favours which were given in the form of open border or economic concession to Nepal. The strategic importance of the open border and security arrangements had increased with the presence of extra-regional powers in Nepal. With China attaining the status of arms supplier to Pakistan and a road link from Tibet to Pakistan occupied Kashmir, the Chinese presence in the region was increasing. In these circumstances the erosion of security arrangements was not beneficial to both India and Nepal.