Chapter V

INDIA'S FOREIGN POLICY TOWARDS NEPAL AND BHUTAN
NEPAL

Nepal is an important neighbour of India. The two countries have very strong and old ties with one another. Nepal's strategic location has made it buffer between China and India. Her location is most strategic so that China, America, Japan and even Soviet Union are anxious to win her to their side. After India became free, she had done as much as she could to help Nepal in her development and other activities. India's policy towards Nepal has been geared to securing a reciprocal friendship, believing that such a relationship would be beneficial to both India and Nepal. However India has not always been successful in this regard. V.P. Dutt correctly says that the two countries have been bound together by history, geography, kinship, religion, faith, cultural legacy and linguistic affinity. According to Ramakant geography has played an important role in evolving and shaping the life of the people of the Himalayan region, so that he adds while there are wide differences between the people living in one part and another, there are also certain problems common to the entire region, and these have given rise to certain similar attitudes.

2. V.P. Dutt, India's Foreign Policy, New Delhi, 1984, p.185.
3. Ramakant; Nepal, China and India, Delhi, 1976, p.1
British India signed a treaty with Nepal on 21 December 1923. This shows that even before independence India and Nepal were close to each other. After India got its independence, she signed a treaty of peace and friendship with Nepal on July 31, 1950. This treaty provided for everlasting peace and friendship between the two countries, both of which agreed to acknowledge and respect complete sovereignty, territorial integrity and independence of each other. It was also agreed that the two governments would inform each other should any serious friction or misunderstanding with any neighbouring state cause any breach in the friendly relations subsisting between them. Both countries would thus continue to have diplomatic contacts. In this context Jawaharlal Nehru said in Lok Sabha on December 6, 1950:

Regardless of our feelings about Nepal, we were interested in our own country's security, in our own country's border. 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.... The principle barrier to India ties on the other side of Nepal and were 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 frontier.5

Side by side, a separate treaty of trade and commerce was also signed by the two countries which was to cover the period of a decade. Nehru stressed the rationale of Indian policy towards Nepal in the following words:

Nepal in 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... 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... Now when we came into the picture we assured Nepal that we would not only respect her independence, but we wanted to see Nepal developed 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 time. Naturally, and quite frankly, we do not like, and we do not propose to be any foreign interference in Nepal. We recognize Nepal as an independent country we wish it well. So our relationship/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 relationships of India and Nepal.  

---

These words have generally served as a basis for India's policy towards Nepal and reveal, in part, its contradictory nature and its inherent weaknesses. For, on the one hand, geopolitical reasons and regional conflicts made it imperative for India to ensure some semblance of influence on Nepal, and, on the other, these reasons led India to desire a strong and stable Nepal. Yet, India also had to take into account the fact that it could not always influence the international relations of a sovereign country. It had urged Nepal to introduce democratic reforms, in keeping with modern tendencies, for the latter's own progress and development. Several attempts had been made to introduce a constitution embodying some democratic innovations and reforms. However, for varying reasons, such attempts were invariably met with resistance by either the Ranas or politicians, resulting finally in an armed Revolt towards the end of 1950. Various factors influenced India's attitude the new Government of Nepal. In the first place India looked at the emergence of the new government of Nepal as a triumph of nationalism and democratic forces. In a broadcast from New Delhi on January 24, 1951 Mr. Nehru said:

The settlement in Nepal is a states-manlike act on the part of all concerned. It marks the beginning of a new era in the history of our sister country. There will be many difficulties ahead and a multitude of problems, but if the people of Nepal and their representatives seek the good of their country with a singleness of purpose
and co-operate with one another in this great task, I am sure that success will come to them .... Nepal is independent and we value her independence. But she is also in close touch with India and, therefore, we have especially welcomed the big step towards democracy that is about to be taken.\(^7\) The Chinese government maintained her position in Lahsa and other trading centre of Tibet. Perhaps, this was the second factor which influenced Indo-Nepalise relations, because the visitor of Nepal often used to come in this area.\(^8\)

Indian Economic Assistance to Nepal set in 1951-52 shortly after the close of Rana's government. Jawaharlal Nehru paid a visit to Nepal on 16th June 1951 for increasing close cooperation between the two countries. After arriving in Nepal, he was given warm welcome by King Tribhuran, crown prince Mahendra Birbikram Shah Dav and other princes.\(^9\) Nehru was the first foreign prime minister to visit Kathmandu. Addressing a huge public meeting Nehru said "If you seek our help in say, technical or other spheres, we will do our utmost to be useful to you, but we never want to interfere".\(^10\) India's relations

---

with Nepal was cordial. However, anti-Indian feelings ran high in 1953-54 as crisis followed in the Nepali administration until even the Nepali Congress, the counterpart and a close ally of the Indian National Congress, demanded in 1954 the withdrawal of all Indian civilian experts and military menions in the interest of wholesome relations between India and Nepal.  

Indian leaders have always the view that Nepal should have a popular regime. After overthrow of the Rana autocracy, King Tibhuvan expressed his desire for merger of Nepal with India. However Nehru rejected the offer of the king because he wanted Nepal to retain her independence. Many of the leaders of the popular movement in Nepal have been very intimately connected with Indian politicians. They were educated in India and trained in public life over here. It was natural for these leaders, therefore, to desire strong friendly relations with this country.

The prime minister of Nepal, Tanka Parsad Acharya addressing a news conference on 29th May 1956 said that Nepal had made an informal approach to the Government of India suggesting a revision of 1950 treaty and had received an assurance from India that if Nepal suggested a revision of the existing Trade Treaty, it would be duly considered. Consequently

11. M.G. Gupta, India's Foreign Policy, theory & practice, Agra 1985, p.267
12. V.P. Lutt, op.cit., p.187
after giving statements of T.P. Acharya, India and Nepal initiated a dialogue for revision of Trade Treaty of 1950 in the second week of January 1957. Specially, the discussion, drew to a centre round clause V of the Agreement. Nepalese government was in favour of removing the differences by putting out or revise by changing some matters of the clause. Under this clause, the Government of Nepal wanted to levy at rates not lower than those in force for the time being in India customs duties on import from and exports to countries outside India. Moreover, Nepal demanded to levy on goods produced or manufactured in Nepal which were exported to India export duty at sufficient rates to prevent their sale in India at prices more suitable than those of goods produced or manufactured in India which were subject to excise duty. Problems connecting foreign exchange and their availability to Nepal and India's technical and financial assistance to Nepal also centred in the discussion.14

Steps to strengthen the economy of Nepal continued on 6 January 1958, the Government of Nepal announced the setting up of a Planning Board under the chairmanship of King Mahendra's younger brother Prince Bir Bikramshah Dev.15 The Government also laid stress on stabilising the power and energy. Condition of Nepal and concluded an agreement with the Government of India at Kathmandu on 20 November 1958 under which the Indian Government undertook to execute a hydroelectric project near Trisali Bazar, 30 miles north-west of Kathmandu, at a cost of Rs.35 crores

14. The Statesman, 14 January 1957
15. Ibid, 7 January 1958
to be borne by India. The Agreement also included the
construction of transmission lines from Trisule to Kathmandu. Another agreement was signed between the two countries on
4 December 1959 regarding the Gandak Project. It was supposed
to irrigate about 37,00,000 acres in the two countries and
generate 20,000 Kw of power and also envisaged the construction
of a barrage at Bhaishalotion. The total cost of the project to
be wholly borne by India, was estimated at Rs.50.5 crores.
Apart from irrigation and power facilities the other advantages
that Nepal had derived from the project were the improved
communications as a result of the construction of a bridge over
the barrage, service roads and telephone, telegraph and road
links. The fast deteriorating Sino-Indian relations and
situation developed and the dangers of the cold war made the
Government of Nepal extremely cautious about the attitude it
adopted towards the Sino-Indian border dispute. Nepal's neutral
attitude aroused the fear of those who suspected Chinese
aggression on Nepal any day and those groups which wanted their
country to remain close to India surprisingly started demanding
that Koirala should follow a more friendly policy towards China.
In this constant tussle cracks appeared in the Nepali Congress
when a section of the party itself supported the opposition
charge that the Government was selling out the country to India.

Political Developments and Party Politics (Bombay, 1964),
pp.154-155.
The Sino-Indian border dispute and the revolt in Tibet provided an opportunity to Nepal to come closer to India. After swearing as Prime Minister, B.P. Koirala in a policy broadcast to the nation declared that Nepali Congress Government would not subscribe to any military bloc nor give up her policy of neutrality in her international relations. Her relations with India, he said were "historic and unseparable and they were growing closer." It was felt that Indo-Nepalese relations would be further strengthened by the progressive policy that Koirala had proposed to pursue at home and the policy of 'non-alignment' that he wanted to follow on Nepal's international relations.

On 28 May, Koirala declared that India had never interfered with Nepal's sovereignty. There was no difficulty either from the Indian side or here about the revision of Indo-Nepalese Trade Treaty of 1950. Nehru's visit to Kathmandu provided another opportunity to both the countries to strengthen their ties. Indian Prime Minister officially visited Nepal from 11 to 14 June 1959. Speaking at a reception given by the Nepal-India Friendship Association, Jawaharlal Nehru said that the two countries had no designs on one another. The story of Indo-Nepalese relations was a story of old cultural and religious

22. O.P. Ralhan, op. cit., pp. 303-8
ties. He had shown his happiness that an elected Government was functioning in Nepal.\textsuperscript{23} Nehru and Koirala had discussed the situation in Tibet and certain questions relating to Nepal's development plans. Regarding the Tibetan situation there was identity of views if not of assessment. The Government of Nepal's assessment of the situation seemed to be that the liquidation of Tibet's autonomy had posed a permanent threat to her security. It was also feared that the presence of Chinese forces on the frontiers might be a source of pressure on Nepal.\textsuperscript{24}

Apart from strengthening Indo-Nepalese ties Nehru's visit had given a new assurance and sense of confidence to the people and Government of Nepal and had helped in removing misunderstanding about certain Indo-Nepalese matters which were frequently magnified out of ignorance for political purposes by some sections of Nepalese opinion. Most important of all, the visit had brought to the surface these urges which were deeper than normal ties between the two neighbours and which in the case of Nepal and India, arose from their closely linked geography, culture, religion and history and these urges had helped further cement friendship and cooperation. As a Nepali leader said a visit by Nehru to Nepal is important at any time but coming at the present critical moment it is memorable and historic.\textsuperscript{25} The talks were understood to have disclosed that

\begin{flushleft}
\textsuperscript{23} \textit{Statements}, 12 June 1959, pp. 17
\textsuperscript{24} \textit{Hindustan Times}, 14 June 1959
\textsuperscript{25} \textit{Hindustan Times}, 15 June, 1959.
\end{flushleft}
the King and the Nepalese leaders were understood to consider the darkest cloud of all. That was the situation created by the developments in Tibet. According to Nepal thinking, their northern border had always been most sensitive with a difficult terrain making it almost impossible to guard or even watch property. While direct attack was considered improbable what the Nepalese feared more was pressure from infiltration. There were some elements in Nepal which could be appeared at the game of power politics.\(^\text{26}\)

Nehru at his press conference said emphatically that he feared no invasion from China, but he also said that there were many countries who while loudly hailing the Panchsheel, violated its principles. Whatever might be the assessment of the two countries, it seemed clear that the talks with Nehru had brought a sense of reassurance to Nepal. This of course does not arise from military assistance or pact. Nehru at the press conference refuted these suggestions, but from the considerations of the Tibet situation and the larger context of world affairs and India's known interest in the integrity of Nepal and from the belief mutually shared that the non-alignment policy was the best for both.\(^\text{27}\)

The talks had been of great value in dispelling certain misunderstandings in the Indo-Nepalese relations. Nehru made

\(^{26}\text{Hindustan Times, 15 June 1959.}\)
\(^{27}\text{Ibid.}\)
clear in public and private that as far as India was concerned, her desire was to help and not to interfere. Regarding the trade treaty about which there had been some propaganda a decision to revise it while taking into account Nepal's wishes had been reached. In this connection the first act of the present government was to give notice of termination in accordance with the treaty terms. The other point of misunderstanding had arisen out of the use of Indian military personnel at checkpost on Nepal's northern frontiers. Nehru declared that they were there at Nepal's invitation and would be withdrawn as soon as Nepalese personnel being trained took their place and in any case when Nepal desired, mullifies this point of propaganda on the hand.28

The visit of Jawaharlal Nehru had enabled the government of India to collect the first hand information on the government of Nepal views on the Tibetan situation and the Sino-Indian border dispute. The Indian government was at least satisfied to note the similarity of views on the Tibetan issue but Nepal stand on the issue was not as bold as the Indians had taken. One thing was common to both as the security and integrity of India and Nepal were closely linked with the turmoil in Tibet, Nepal somewhat neutral stand on the issue significant that there was a lack of understanding between King Mahendra and pro-Indian B.P. Koirala government. It seemed it was because

of king's lenient attitude towards China, that Koirala Government after assuming office dared not to be vocal on the Tibetan issue.

There was no mention in the joint communique whether both the leaders had specifically discussed the Sino-Indian border dispute. The bypassing of the issue meant that Nepal wanted to remain neutral on the issue of the Sino-Indian border dispute.

The visit had also shown that one of them had no predatory instincts.29 A week before Nehru's arrival, a campaign was launched by some people that the object of the visit was to conclude a defence pact between the two countries. Another group tried to create new suspicious by circulating accounts of how the trade and commercial agreement with India was adversely affecting the economy of Nepal. But Nehru's visit had completely changed the atmosphere in India's favour because the talked with utmost frankness and touched each and every issue and succeeded in silencing the opposition group. His visit has also lent new strength to Nepal's elected government and for the time being the danger from the loose talk and from the activities of defeated politicians were averted.30

But even after Nehru's visit, the opposition parties in some way or other were maligning B.P. Koirala Government for his pro-Indian policy. The Executive Committee of the National Democratic Front which consisted of Dr. K.I. Singh's United Democratic Party, Tanka Prasad Acharya, Parja Parshad and Ramanath Sharma Praja Tantrik Mahasabha, in a resolution said that the Nehru-Koirala joint communique had indicated that Nepal had abandoned her traditional policy of neutrality and instead aligned herself with India. It further stated that the two Prime Ministers discussed Tibet and the joint communique said the views of both countries on the Tibetan situation were identical. And since defence policy was complementary to foreign policy it could not be ruled out that the defence policies of the two countries were identical. The executive of the Front also complained that the joint communique indicated India's dominance in Nepal's development. Nepal was thus, the resolution added, in the process of becoming India's satellite. It warned the people of Nepal that the Nepali congress government had greatly damaged Nepal's sovereignty to satisfy its own interests. 31

Clarifying his statement for the consumption of the Nepali opposition leaders critical of the statement, Nehru repealed in a press conference that a paragraph in the hitherto unpublished letters exchanged between the Government of Nepal

and India when the 1950 Peace and Friendship Treaty was signed which in effect converts the Treaty into a part of Mutual Assistance in case of foreign aggression. He made it clear that he was merely stating a position which had existed for over nine years. He described the statement of Koirala in this connection as "entirely correct".32

The Government of Nepal had adopted a very cautious approach to the Sino-Indian border issue and the Tibetan problem and was happy that her diplomacy was quite successful. Barring political matters, Koirala Government did not hesitate in collaborating with India in the economic development of Nepal. The Government of India was aware of the limitations of the Koirala Government on political issues and succeeded in convincing the Government of Nepal to sign the Gandak Project Agreement on 4 December 1959. Once again the pro-Peking lobby launched a mini agitation against the Government and a anti-Indian tirade started which was based on the plea that India would be more beneficial than Nepal after the implemention of the Agreement. The National Democratic Front, the Red communist Party and the Nepalese Communist Party with the support of National Students Federation and National Youth Federation had organised demonstration against the Government after the signing of the Gandak Agreement.

When the news of the unlawful activities of the Chinese troops reached Kathmandu, the agitation lost its charm. The unexpected development met severe criticism in the Nepalese press. Under these circumstances, the Prime Minister of Nepal paid an official visit to New Delhi on 17 January 1960 for consulting with Indian leaders. His visit to New Delhi strengthen his state of mind after the discussion of the whole situation and the developments at home with the Indian Prime Minister. The Joint communique issued on 28 January reaffirmed that India and Nepal "have a vital interest in each other's freedom, integrity, security and progress" and agreeing that the two governments should maintain close consultations in matters of common interest. It also announced that at Nepal's request India would provide financial assistance to the extents of Rs. 18 crores to help Nepal's economic development. Although the communique mentioned only in general terms the discussions between the two Prime Ministers on "the present international situation as it affects the two countries." They were known to have covered comprehensively the developments on the northern border of India and Nepal.33

The two countries continued to maintain their close co-operation by signing a new Treaty of Trade and Transit on 11 September 1960 in Kathmandu to remove misunderstandings

33. For the text of the communique see, FAR, 1 Jan. 1960.
regarding the old treaty of 1950. It contained fourteen article dealing with trade and transit facilities. According to the preamble, the Treaty aimed at expanding trade between the two countries, encouraging collaboration in economic development and facilitating trade with other countries. Under that Treaty, Nepal would continue to levy important and export duties on goods imported from or exported to India, India, however, agreed that excise duties levied on goods exported to Nepal would be refunded to the Nepalese Government. Both the countries agreed to take measures to prevent smuggling of their currencies from a third country and to prevent entry of goods passed in transit. The treaty laid down that Nepal would permit imports from a third country only and against her own foreign exchange resources. It stipulated that "neither party will issue any import license on the basis that foreign exchange for it will be arranged by nationals of the other party". If the Government of Nepal wanted to pursue a trade policy divergent from that of India there would be mutual consultations so as to ensure that there was no flow of goods imported from a third country into India. Official sources in New Delhi explained that the Treaty, if operated in the spirit in which it was conceived, might lead to the development of a common market between India and Nepal within a limited field and encourage similar arrangements with other Asian and African countries. It was landmark in the annals of the two countries and gave a boost of the Indo-Nepal trade. One thing was clear from the treaty regarding the intentions of Indian Government.
She wanted to see Nepal economically stable and prosperous otherwise the Government of India had not removed the short-comings of the 1950 treaties. India while respecting the feelings of the people of Nepal tried her best to accommodate their views and demands.34

In a surprising move on 15 December 1960 King Mahendra issued a Royal Proclamation and took over the Government, dissolved the Parliament, deposed all the ministers and banned all the political activities throughout Nepal. He levelled serious charges against Koirala Government which according to the proclamation:

Taking shelter behind the democratic systems, set aside the interests of the country and the people, and wielded authority in manner designed to fulfil the individual and party interests only. Whereas, in defiance of the laws of the realm, the council of Ministers made an attempt to dislocate and paralyse the administration machinery in the name of investing it with speed, smartness and competence.35

However, Nehru was not satisfied with the charges levelled against Koirala Government and said in the Rajya Sabha that "these are vague charges and it is difficult to say anything about a vague charge."36 The Indian Press and some opposition

34. The Hindu, 12 September 1960.
parties of India. The Parja Socialist Party, The Communist Party, Jana Sengh and Swatantra Party reacted against the King's action and condemned it in one way or the other. The criticism by the Government of India and the way, the press and political parties reacted against the Royal take over, in retaliation the Nepalese press launched anti-Indian propaganda. The Government of India was much worried about the anti-Indian tirade launched in Nepal because of the tense relations with China. Jawaharlal Nehru on 6 January 1961 deplored what he called an "astonishingly virulent" Newspaper campaign in Nepal against India. He said, "that is what we are getting in exchange for all the friendship and help we have given in the last ten years or so", and believed that the campaign had at least the passive support of King Mahendra. He also made it clear that India had never interfered in the international affairs of Nepal but had given advice only when it was sought and once again reiterated a belief he had expressed earlier that the democratic structure of Nepalese Government had been "suddenly overnight suppressed and described King Mahendra seizure of power against the concept of democracy."

The Nepalese Government refuted the charge of Nehru against the press of their country. Tulsi Giri, Nepalese Foreign Minister said that the press reaction in Nepal was mostly provoked by the Indian contemporaries and appealed to both the countries to "break the vicious circle" harming relations between two brotherly neighbours. The Government of Nepal had published a twenty-four page pamphlet containing excerpts from the Nepalese press welcoming the royal takeover and those containing attack on India. One of the editorial writings reproduced in the pamphlet questioned the propriety of Nehru's statement about the events in Nepal. It asked him if democracy did not end in Kerala through the Indian President action, how did it end in Nepal, where the King acted to save democracy. An article contributed to local newspaper to run in two piece series under the headline "what is India's design" accused India of establishing "economic colonial issue" through the new trade treaty with Nepal. It warned India to rest "content with Kashmir and Bhutan and not to cast eye on Nepal."

In spite of the bad blood created by the press of India and Nepal, and charges and counter charges levelled by the political elites of both the countries against each other, both the countries were genuinely in a mood to curb the activities of these elements.

39. The Hindustan Times, 9 January 1961
Under these circumstances, Dr. Tulsi Giri, Foreign, Defence and Palace Affairs Minister of Nepal visited New Delhi, from 19 to 22 January 1961. The discussions had covered a wide range of subjects including the suspension of democracy in Nepal, Nepal's economic development plans and Indo-Nepalese relations. After the end of visit he said that the purpose of his visit was to remove "misunderstandings" in Nehru's mind concerning the Royal takeover. Evidently he did not raise in the course of his talks with Nehru the issue of Nepali political workers operating from India, the point on which it was thought he would ask for some kind of assurance. It seems Giri failed to convince Nehru the circumstances which compelled the king to dismiss Koirala Ministry and that was why he could not even share to discuss the issue of Nepali political workers with Nehru. However, anti-Indian propaganda continued by the Government of Nepal.

It was expected that King Mahendra would visit New Delhi in March 1962 and would discuss with Nehru the developments which had adversely affected the Indo-Nepal relations. But on 2 February, Radio Nepal announced the cancellation of Mahendra's visit to New Delhi. He had decided to cancel his visit to New Delhi in view of the strained relations between India and Nepal. The announcement said "King also called

upon the Government of India to desist from forming the provocation anti-Nepal agitation in India territory otherwise there would be a set back in Indo-Nepal Relations. The commoner, commenting on the cancellation of visit said that favourable conditions should be created for such a visit. The campaign against India was getting momentum day by day in Nepal.

King Mahendra’s failure to curb the violence and to check the growing tendencies amongst the people of Nepal for the restoration of democratic norms had probably compelled the King to revise his decision not to visit India.

On the other hand India was also very keen for the normalisation of Indo-Nepal relations because of the growing tensions on the Sino-Indian border because of the border dispute with China because in that situation political stability and peaceful atmosphere on the kingdom was vital for Indian Security and integrity.

King Mahendra visited India from 18 to 23 April 1962 and discussed with Nehru all the problems which had created a wedge between India and Nepal. The joint statement issued at the end of the visit on 23 April said that Nehru and King Mahendra “agreed that propagandist publications led to misunderstanding”. They also decided that in the event of

44. Pakistan Times, 3 February 1962.
45. The commoner(Kathmandu), 5 Feb.1962; and also Indian Express(ed.), "Heal the rift", 19 March, 1962.
differences of opinion between the two Governments, senior officials of the two countries were asked to hold joint informal enquiries to establish facts. It placed emphasis on Indo-Nepalese interest in each others security. It also said that "while freedom of expression was permitted in India, the Government of India was against all violent or unlawful activities of any sort." The visit was indeed helpful in removing misunderstanding and miscalculations which were standing in the way of the good relations of the two countries. It had provided an opportunity to both the leaders to discuss each and every issue in a very cordial atmosphere and put forward the respective positions of their Government.

After Chinese aggression against India in 1962, China started pursuing a policy of winning over countries situated in the Himalayan region having common borders with India, China has therefore, helped Nepal very much in her development and other activities.

Reacting to the Sino-Indian war king Mahendra on 11 November said that this country cannot afford to be a calf standing between the two fighting bulls. The conflict was a matter of concern and regret and added that it must be resolved through mutual negotiations between India and China.

46. Foreign Affairs Record, Vol.IV, No.4, April 1962.
47. S. Narayan, op.cit., p.69.
48. The Commoner(Kathmandu), 5 Feb.1962; and also "Time to relax", Hindustan Times of March 1962.
No doubt the Nepalese Government attitude was neutral on the conflict and it was the best cause of action which the government of Nepal had adopted. China and Nepal had signed a number of treaties and agreements and the former was also contributing much for the development plans of Nepal.

King Mahendra had realized after the war that Nepal foreign policy should be based on some new adjustments and understandings because hostility with India meant, the political instability in Nepal. The events in 1961-62 proved that India had a considerable effect on the political elites of Nepal who were opposing the Royal Government.

During this period at times differences cropped up between India and Nepal. Indian leaders adopted a positive attitudes and managed to resolve the disputes. Lal Bahadur Shastri went to Nepal on 4th March 1963 solution were found to many of the outstanding disputes between the two countries. Later other Indian leaders also visited that country. In fact, Nepal is irked by what she considers to be the attitude of a big brother on the part of India. On the other hand, India is anxious to have friendly cooperation with that country. Mrs. Indira Gandhi visited Nepal on 4th October, 1966 to reaffirm her cordial foreign policy to the country and announced an aid of Rs. 40 crores for Nepal's third five-year plan.  

This was twice the amount India had contributed for the second plan and nearly one-fifth of the total outlay proposed to be expended during the plan.\textsuperscript{51} Mrs. Gandhi also assured Kathmandu machinery for a proposed paper factory and pointed out India's interest in the multi-million kilowatt hydro-electric project which, according to U.N. survey, could produce on completion 6.8 million K.W. of power and whose surplus could be purchased by India. At the end of her visit, Mrs. Indira Gandhi and the shah of Nepal agreed to continue their traditional friendship and common ties of history, geography and culture binding their countries and people, vital interest in each other's territorial integrity, prosperity and well-being, while reiterating their faith in the principles of non-alignment.

Later, still, two agreements were signed in Kathmandu on 19 December 1966, on the construction of East-West highway from Thapa to Janakpur along the southern terai region and the construction of a joint project over the Kosi river for irrigation, power and flood protection that would benefit some 800,000 acres in Bihar and 70,000 acres in Nepal. The highway was estimated to cost some 22 crores and the kosi canal project about 70 lakhs.\textsuperscript{52}

\textsuperscript{51} S.D. Muni, \textit{op.cit.}, p.126
\textsuperscript{52} \textit{Foreign Affairs Record}, December 1966.
The construction with Chinese assistance of the Kodari road and anti-India activities by the Chinese in Nepal notably affected both the Government and the public in India. Indian leaders felt that the road might be dangerous for India's security because China could use the road for attack on India. In these circumstances, on July 3, 1967 in the Lok Sabha, the foreign Affairs Minister, M.C. Chagla said that India was ready to face any attack originated by the road.

India expressed her concern with the Government of Nepal at repeated anti-Indian demonstrations by the Chinese at Kathmandu on 24 and 25 June, 1967. This was the second Indian remonstrance within a week against Chinese activities. After this Deputy Prime Minister, Morarji Desai visited Nepal on 22-24 October 1967, to express the concern of Indian Governments. On 12 October, 1968, President Zakir Husain went to Nepal to communicate India's stand and to justify the activities which were against India.53

This was the reason why towards the end of 1967, India agreed to withdraw the Indian personnel from different military check posts. This step was instrumental in normalizing relations between the two countries for some time.54

53. S.D. Muni, op.cit., p.239.
54. V.P. Dutt, op.cit., p.195.
BHUTAN

The name of the country 'Bhutan' has been derived from the term 'Bhotanta' which was the ancient Indian name which at one time stood for Tibet. After various anglicizations (Bootan, Shotan, Boutan) the name was settled towards the end of the last century as 'Bhutan'.

Bhutan's origin as a nation goes back to the twelfth century when immigrating Tibetans subjugated the local tribes and established their supremacy. It took four centuries for the migrant Tibetans to establish clear-cut geographical boundaries of Bhutan and set up a politico-religious system of governance which was similar to that of Tibet. Ethnically, culturally and politically it emerged as a homogeneous entity in the seventeenth century conducting its own economic and political relations. Since independence, India's foreign policy towards Bhutan has been unique. Bhutan had signed treaties with British India in 1865 and 1910 accepting British control in regard to foreign affair, according to which Bhutan could not be placed in the same category as Nepal. Legally it was recognised as a sovereign foreign state unlike Sikkim's "protectorate" status, but Bhutan could have no external relations except under British

55. Nari Rustomji, Bhutan, The Drago Kingdom in crisis, New Delhi, 1978, p.4
56. Michael Aris, Bhutan, the early history of a Himalayan region, Ghaziabad, 1978, p.xxiv.
57. B.S. Das, in World Focus vol.6, No.11-12, Nov-Dec.1985, p.73.
guidance but she got an assurance of non-interference in her internal affairs. Bhutan occupied a vital position in British India's security environment. Following Communist takeover in China in 1949, Bhutan proposed to India to continue to maintain its former position in the light of the treaties with British India. Eventually a treaty between India and Bhutan was signed on August 8, 1949. Under this treaty it was decided to follow a policy of friendship, neighbourliness and non-interference in each other's affairs. It was also decided that the Government of Bhutan would be guided by the advice of the Government of India in regard to her foreign relations. Furthermore, arms could be imported into Bhutan from or through India provided this did not constitute a danger to India, Bhutan agreed not to export arms either through her Government or through private individuals. It was also agreed that equal justice would be dispensed to nationals of either state residing in the other's territory and extradition facilities would be accorded whenever necessary.

Thus Indian foreign policy towards Bhutan continued to be according to the previous treaties and Bhutan remained independent and advanced on the path of progress. Jawaharlal Nehru said in his speech on the occasion of his visit to Bhutan on September 23, 1958 that India's only desire as regards their country was

59. Madhu Limaye, Problems of India's Foreign Policy, Delhi, 1984, p.284.
60. Foreign Policy of India: Text of Documents 1947-49(New Delhi, Lok Sabha Secretariat 1959) edn.2, p.17
that it should remain independent and choose its own road of progress. He added that the two countries are like brothers. India is the elder brother and Bhutan is the younger but all the same they are brothers, and brother must live in amity.

During this visit Nehru initiated dialogue with the Maharaja of Bhutan, about the all-round development of Bhutan. Nehru suggested to Bhutan that she should make progress according to the will of her own and their foreign pressures should not hinder be allowed to interfere with her internal affairs. He added that the world was changing fast and Bhutan could not remain isolated but that any change Bhutan underwent should be in accordance with its own will and not because of the pressure of other countries. Again he said that the freedom of both Bhutan and India should be safeguarded so that no one from outside could do any harm to them.

The Chinese government published a map in pictorial magazine of July 1958 denoting large tracts of not only Indian but Bhutanese territory as belonging to China, involved the territorial integrity of Bhutan as well. After this in October 1958, China sent a proposal to New Delhi that the common frontier of India and China be redrawn. after surveys and talks with neighbouring

61. O.P. Ralhan, Jawaharlal Nehru Abroad, op. cit., p. 296.
63. Arora and Appadorai, op. cit., p. 80 - 81.
countries. But India made it clear on 2 December 1958 that India's international borders were settled and could not be a matter of negotiations.

Jawaharlal Nehru clarified the attitude and responsibilities of his government for Bhutan and he said in the context on 28 August 1959. The Government of India is responsible for the protection of the borders of Sikkim and Bhutan and of the territorial integrity of these two states and any aggression against Bhutan and Sikkim will be considered as aggression against India. 64

India gave technical and material aid to Bhutan. India also provided Rs.70 million to Bhutan for approving road communication both between the two countries as well as within Bhutan. The development of road communication was very helpful in the progress of Bhutan. India also allowed Bhutan to use Indian forest roads in the border areas for her benefits. The Reserve Bank of India fulfilled all the foreign exchange needs of Bhutan. 65

Then on 7 September 1959, Nehru placed a white paper on the tables of both the houses of Parliament about the communication exchanged views between the Government of India and China in this regard between 1954 and 1959. 66

66. NMLIC, 1954-1959, white paper.
Speaking on the subject on Premier Chou-En-Lai said on 8 September 1959 that this question did not fall within the scope of their discussion, adding that China is willing to live together in friendship with Sikkim and Bhutan, without committing aggression against each other, and has always respected the proper relations between them and India.67

In this context Nehru gave the following statement in Lok Sabha on 12 September, 1959:

I beg to differ from Premier Chou-En-Lai. It does very much fall within the scope of our present or future discussion. If he thinks that he can deal with it as something apart from India, we are not agreeable to that. We have publicly, and rightly, undertaken certain responsibilities for the defence of Sikkim and Bhutan, if they are attacked. It is very necessary for us to understand that if something happens on their borders, then it is the same thing as an interference with the border of India.68

Nehru wrote a letter to Chou En-Lai on 26 September 1959 asking him to clarify the Chinese position in the matter. In this letter he said:

It is not clear to us what exactly is the implication of your statement that the boundaries of Sikkim and Bhutan do not fall within the scope of the present discussion. In fact, Chinese maps show sizeable areas of Bhutan as part of Tibet. Under treaty relationships with Bhutan, the Government of India are the only competent authority to take up with other Governments matters concerning Bhutan's external relations .... The rectification of errors in Chinese maps regarding the boundary of Bhutan with Tibet is therefore a matter which has to be discussed along with the boundary of India with the Tibet region of China in the same sector.  

Prime Minister Dorji of Bhutan whole heartedly appreciated Nehru's statements regarding Bhutan's territory in these words:

The Government of Bhutan situated as it does not possess the means to repel any large scale attack on its territories .... Bhutan is not an Indian protectorate, nor is there any clause in the Treaty between India and Bhutan relating to defence.  

During the Sino-Indian war of 1962, the Indian government strongly criticized Chinese government's action of flying her

---

70. A.Appadorai and M.S.Rajan, op. cit., p.175.
aircraft in the space of Bhutan saying that the responsibility of Indian government has been to safeguard Bhutan in her external affairs. In response to this the Chinese government said:

The fact that the Indian Government has once again groundlessly invented the lie about so-called violations.... can only be regarded as an attempt of the Indian side.... to sow discord in the friendly relations between China and Bhutan. 71

The King of Bhutan endorsed his Prime Minister's statement in this matter and added:

We have at present no roads, no trade or industry .... We must develop our state first. 72

In January 1965, Prime Minister Lal Bahadur Shastri called the King in Calcutta for a two-day meeting and considered the developments resulting from the moves of Pakistan and China. The Prime Minister also talked about the economic development in Bhutan in this meeting. He said:

71. Ibid, p.175; Notes by Ministry of Foreign Affairs to China PeKing to the Embassy of India, 24 Dec. 1962, White Paper, No. 8, p. 8
Bhutan is an independent country and we have always accepted it. The King himself agrees that there has been no pressure in any matter on the part of the government of India.73

Thus Indian foreign policy towards Bhutan since independence has been to protect Bhutan against external aggression. Bhutan, on her part, has remained faithful to India and has been following a policy of friendship and cooperation towards India.