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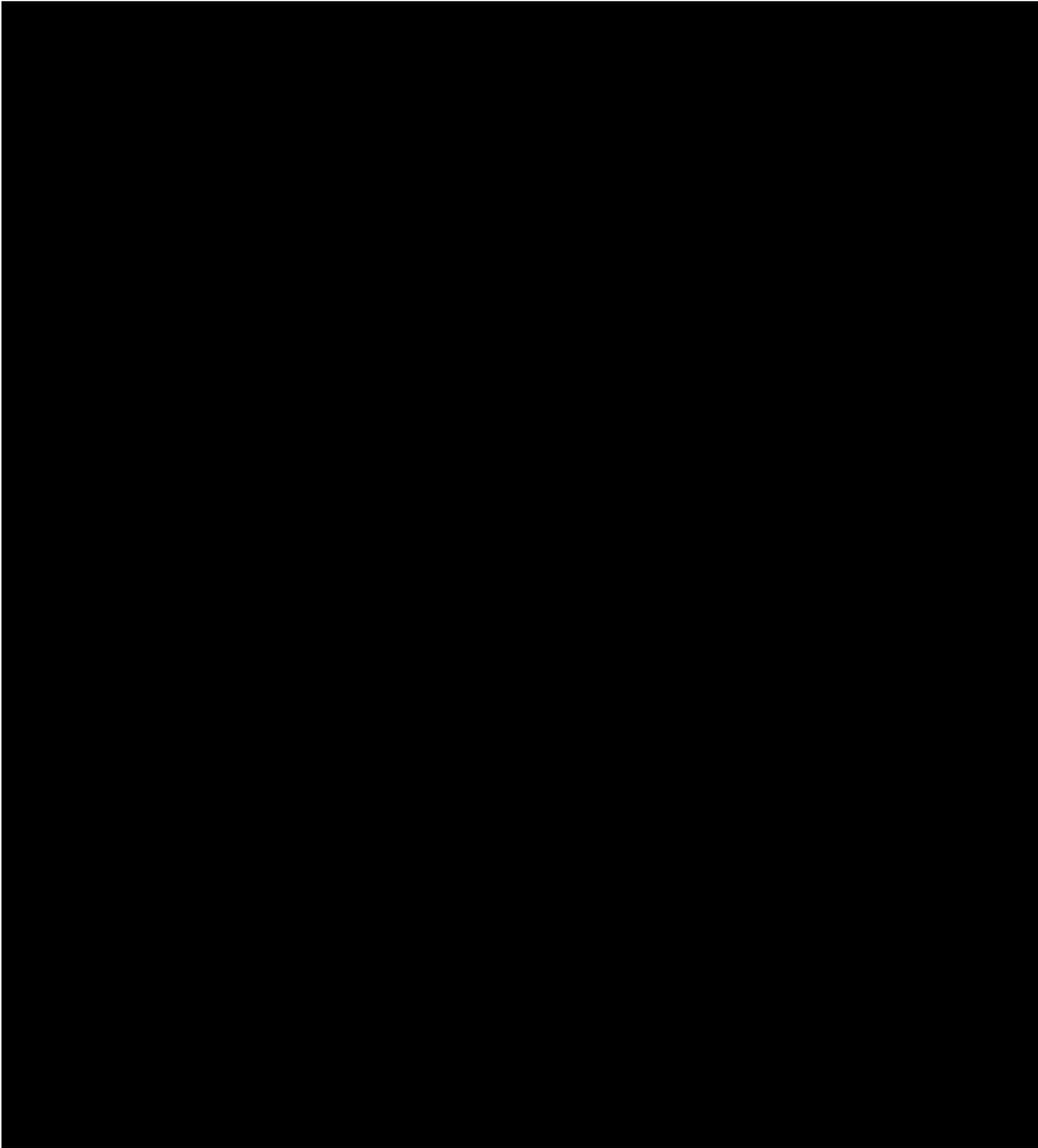
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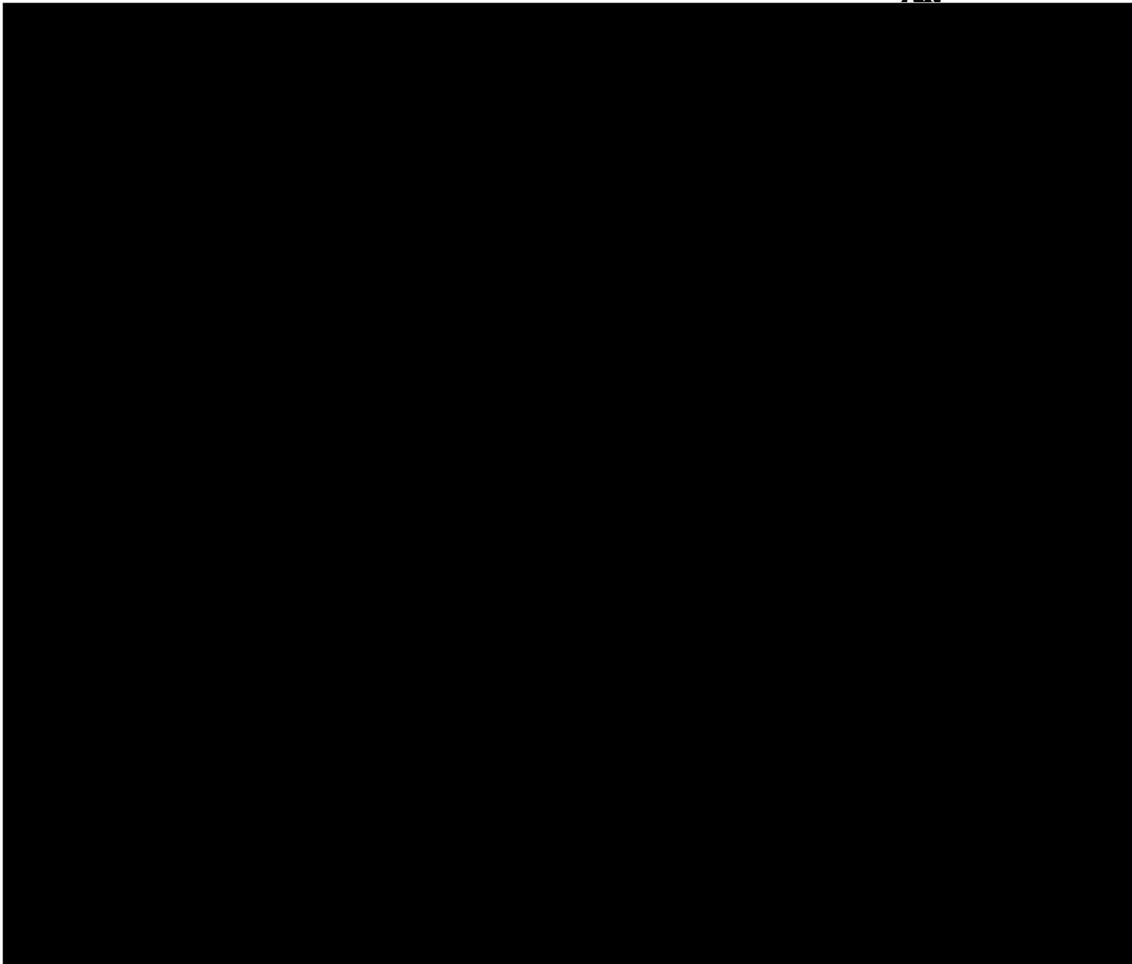


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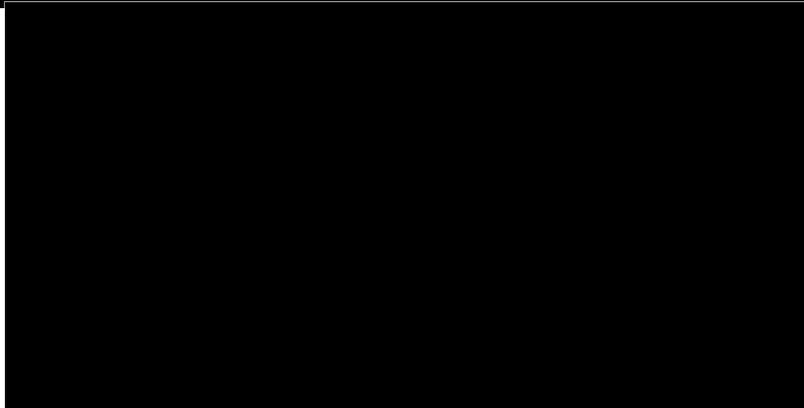
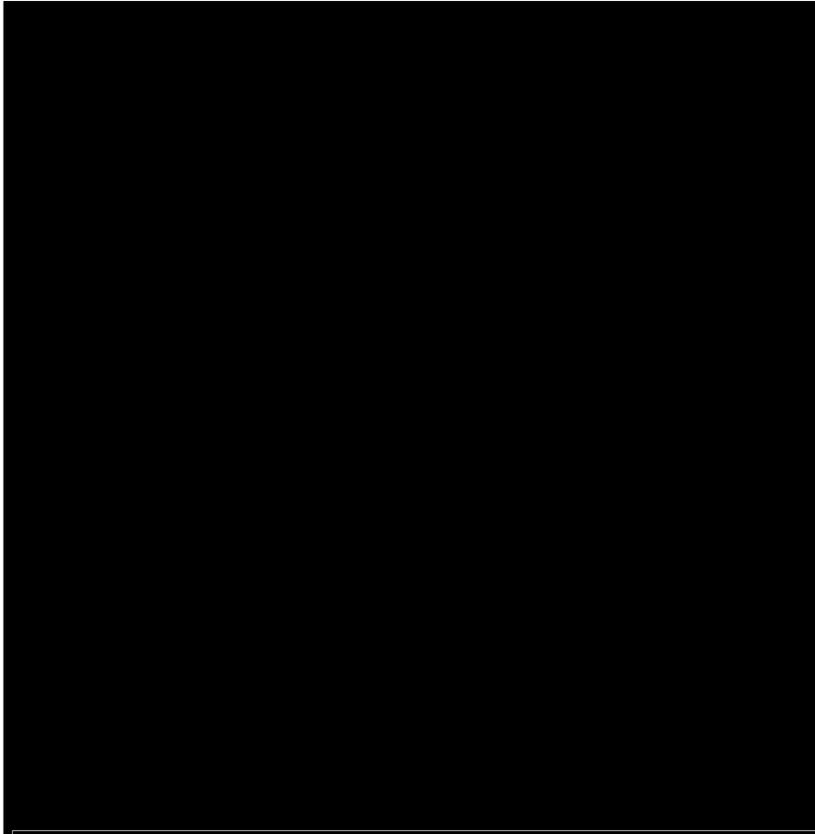


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Nepal: Living With India [REDACTED]

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Relations between India and Nepal have improved somewhat in the two years since Indian Prime Minister Rajiv Gandhi came to power. Nepalese leaders believe Rajiv may be more willing than his mother to consider their concerns. [REDACTED]



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Nepal: Living With India [REDACTED]

Relations between India and Nepal have improved somewhat in the two years since Indian Prime Minister Rajiv Gandhi came to power. King Birendra's visit to New Delhi in September 1985—the first by a Nepalese monarch since 1977—produced no new policy initiatives but gave both sides a chance to demonstrate a new cordiality in bilateral relations. It also allowed the Nepalese to present their concerns [REDACTED]

[REDACTED] directly to Prime Minister Gandhi. Nepalese leaders believe Rajiv may be more willing than his mother to consider their concerns. [REDACTED]

Differing Views of Bilateral Relations

Nepal is sandwiched between two powerful neighbors, India and China, and has historically struggled to balance the regional interests of each while at the same time seeking to affirm its independence. Nepal's most significant ties—geographic, cultural, and economic—have been with India, giving rise to a historic fear of Indian domination. Southern Nepal is part of the Gangetic Plain—open to the Indian heartland—while in the north, the Himalayas divide Nepal from China. [REDACTED]

Kathmandu has long tried to assert its independence from India in foreign relations. Since 1974, King Birendra has solicited international support for his efforts to declare Nepal a Zone of Peace—an effort supported by almost 80 countries including China, but not India. Nepal has also taken a high profile in the South Asian Association for Regional Cooperation (SAARC), lobbying successfully to have Kathmandu made the seat of the SAARC Secretariat. [REDACTED]

New Delhi views Nepal as a strategic buffer on its sensitive northern frontier with China and is less than enthusiastic about Nepalese efforts to chart an independent foreign policy. India has sought to limit Chinese influence and presence in the kingdom, especially in the Terai, Nepal's southernmost region. We believe that India interprets secret agreements

that accompanied the 1950 bilateral Treaty of Peace and Friendship as giving New Delhi the right to enter Nepal in force without Kathmandu's consent if Indian national security is threatened. [REDACTED]

Areas of Cooperation

India and Nepal cooperate in a number of defense and national security areas. Also, India has agreed to maintain 100,000 Nepalese Gorkhas in its Army, and Indian Army officers recruit several times a year in Nepal. The remittances sent home by these recruits are an important resource for Nepal's economy. [REDACTED]

The two countries have a Treaty of Trade and Commerce, which allows Nepal to import and export commodities through Indian ports without paying tariffs. India is Nepal's largest trading partner, accounting for almost half of Nepal's trade. [REDACTED]

New Delhi has provided substantial assistance for Nepalese development projects such as road and factory construction, hydroelectric power plants, and irrigation schemes. [REDACTED]

Other areas of cooperation include a recent decision by India, Nepal, and Bangladesh to begin water-sharing discussions. Nepal is the source of much of

¹ Under the terms of the 1950 Treaty of Peace and Friendship, each country agreed to acknowledge and respect the sovereignty, territorial integrity, and independence of the other; to maintain diplomatic relations; to grant unimpeded migration for citizens of each country to the other; and to grant rights to immigrants equal to those of its own citizens. [REDACTED]

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the water that flows to Bangladesh and parts of India, and a water-sharing agreement between the countries has been discussed for several years. Additionally, under the auspices of the SAARC, India and Nepal plan to coordinate antiterrorism and antinarcotics programs.

Irritants in Indo-Nepalese Relations

The major irritant in bilateral relations between India and Nepal is Kathmandu's belief that India supports Nepalese opponents of the King.

Nepal resents Indian involvement in its internal politics. New Delhi has routinely provided financial assistance to Nepalese politicians in return for their support in parliament. Other countries—notably China—provide financial support to selected Nepalese candidates, but New Delhi's patronage is the most extensive and the most galling to the royal palace. The funds are used primarily to buy last-minute votes before elections—at a price of 30 Nepalese rupees, or about \$1.50, for an average villager—to ensure that some other candidate does not rebuy a person's vote.

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agreement, however, will make the King cautious about taking actions that New Delhi could perceive as directly threatening. [REDACTED]

Local elections in Nepal early next year will probably spark Nepalese rhetoric over the activities of the Indian-based antimonarchy group and the perennially divisive issues such as cross-border migration. New Delhi might take steps to limit activities of Indian-based Nepalese exile groups to demonstrate its good will toward the kingdom. [REDACTED]

The King is also concerned over India's strong influence generally in the Terai. Many Indians take advantage of the liberal immigration laws between the two countries to move to the agriculturally productive Terai from economically depressed regions of northern India. This has created fierce competition between native Nepalese and Indian immigrants for land and jobs. [REDACTED]

The Terai has been the scene of Sino-Indian rivalry at Nepal's expense. In summer 1985, under heavyhanded urging from New Delhi, Kathmandu reneged on an agreement with Beijing to build an important section of Nepal's east-west highway in the Terai. Instead, the Nepalese accepted an Indian offer on less favorable terms. New Delhi had reservations about the prospect of a massive, sustained Chinese presence close to India's border [REDACTED]

Outlook

Nepal has little choice but to remain on good terms with New Delhi while trying cautiously to maintain some independence in its foreign and domestic policies. The King is likely to continue to pursue improving relations with New Delhi while at the same time, in order to balance Delhi's influence, seeking a high profile in SAARC and other nonaligned forums and resorting to traditional courting of Beijing. New Delhi's willingness to meet with Nepal and Bangladesh simultaneously on the water-sharing issue and to allow the SAARC Secretariat to locate in Kathmandu will help to ease Nepalese resentment. The debacle last year over the Chinese roadbuilding

A possible future irritant between the two countries concerns Delhi's problems with the Gorkha separatist movement in the Indian state of West Bengal on Nepal's eastern border. The Gorkhas—about 500,000 in all, according to Indian Government estimates—are ethnic Nepalese living in the Darjeeling district of West Bengal. Many came to the region in the early 1800s, while some migrated more recently under the terms of the 1950 Peace and Friendship Treaty. Leaders of the Gorkhaland separatist movement argue that the West Bengalis treat all Gorkhas as immigrants, failing to distinguish between those whose families have lived in India for generations—and therefore have the right of Indian citizenship—and those who have migrated in recent times. The separatists have demanded the establishment of a separate state called Gorkhaland as part of the Indian Union, recognition of Nepalese as an official language in India, and revocation of the clause in the 1950 Peace and Friendship Treaty allowing citizens of each country to work and reside in the other without special permits. [REDACTED]

To date, the Nepalese Government has maintained official silence on the Gorkhaland issue. Allegations of royal palace involvement with the separatists have been made in both the Nepalese and Indian press in recent months, while the ruling Communist government in West Bengal has alternately accused Nepal, China, and the United States of interfering. New Delhi has officially rejected the separatists' demand for abrogation of the 1950 treaty. In West Bengal, eight new checkpoints will be set up on the Indo-Nepalese border to strengthen security. [REDACTED]

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Although pressure on the Government of Nepal to take a position in the issue is intensifying from Gorkha separatist leaders and the Nepalese press, it is unclear what action, if any, the King is contemplating. The two countries are unlikely to take major steps to limit the large-scale cross-border migration of workers between them, despite demands from Gorkhaland separatists to revise the 1950 Peace and Friendship Treaty. New Delhi views the Gorkha issue as an internal affair, not a matter for discussion between India and Nepal. [REDACTED]

[REDACTED]