

12.23 hrs.

STATEMENT RE: PRIME MINISTER'S VISIT TO NEPAL

Mr. Speaker: Shri Chagla may read the statement.

Shri Surendranath Dwivedy (Kendrapara): The Prime Minister is present. Why should the External Affairs Minister make the statement? Why not the Prime Minister? So long the practice has been when the Prime Minister visits a country, he or she makes the statement here. What is this new procedure?

श्री मधु लिमये (मुंगेर) : प्रश्नों में डर रही हैं। आप समझ नहीं रहे हैं।

The Minister of External Affairs (Shri M. C. Chagla): I do not see how the House is in any way prejudiced. I am going to set out what happened when the Prime Minister visited Nepal. Whether the Prime Minister reads it or I read it, what difference does it make to the House?

Mr. Speaker: There might be some questions which might have to be particularly addressed to the Prime Minister.

Leader of the House (Shri Satya Narayan Sinha) She is here to answer any questions.

Shri Ranga (Chittor): If it is the Prime Minister's statement, let her read it. If on the other hand my hon. friend wants to read it on her behalf, let him say he is reading it on her behalf. (Interruptions). The leader of a group, Mr. Dwivedy, has thought it fit to raise this point. I think due consideration should be given to it. Why is it that this departure is being made? Is it because of some vocal difficulty on her part or is it because she would like him to do this part of her job and afterwards reserve herself to answering the questions seeking elucidation? Some explanation is need-

ed. Otherwise there is no reason why this departure should be made. The impressions of the Prime Minister on her tour should be read out by the Prime Minister herself.

Shri M. C. Chagla: The Prime Minister's visit to Nepal, which was a very important one, undoubtedly affects the External Affairs Ministry and I think it is quite appropriate for the External Affairs Minister to tell the House about the results and achievements of the visit. To the extent that this statement refers to anything personal to the Prime Minister, she is present to answer questions. I do not understand how the House can object to the External Affairs Minister making this statement on a matter which affects the External Affairs Ministry. The visit was an official visit; not a private visit.

Shri Surendranath Dwivedy: Are we to understand that only matters connected with the External Affairs Ministry were discussed when the Prime Minister visited Nepal or some other Ministers are also going to make statements about matters relating to their ministries which were discussed during the visit?

Mr. Speaker: Let us hear the statement first.

Shri M. C. Chagla: The House can adjudge after I read out the statement. Sir, (Interruptions).

श्री मधु लिमये : आप मौजूद थे क्या उस बातचीत में ? आप उनके साथ क्या बाहर गए थे ?

श्री राम सेवक यादव (बराबंकी) : उन्हो से आप कहे कि पढ़ दें। क्यों इतना समय सदन का बरबाद किया जा रहा है ?

Shri M. C. Chagla: In response to an invitation from His Majesty the King of Nepal, the Prime Minister visited Kathmandu from 4th to 7th October, 1966. The Prime Minister

[Shri M. C. Chagla]

was happy to have had this opportunity to exchange views with His Majesty the King, the Chairman of the Council of Ministers and other leading personalities of Nepal.

2. The Prime Minister was deeply touched by the friendly and warm welcome extended to her during her stay in Nepal which was a manifestation of the friendly feelings of the people of Nepal towards India and the Indian people.

3. India and Nepal share a long border which is free and open for unrestricted movement by people on both sides. Our peoples share a common heritage and are closely bound together by history and geography and by a common culture and tradition. With such close associations in the past, it is only natural that we should work closely together to promote our many common interests.

4. The Prime Minister was greatly impressed by the visible and varied signs of progress she saw or that were reported to her in Nepal since her last visit to Kathmandu 13 years ago. We are happy that India has been of some assistance in furthering this progress. His Majesty the King also expressed to the Prime Minister his satisfaction at the speedy progress achieved in the implementation of Indian aided projects in recent years. She had the honour to inaugurate one such project in which we have collaborated—the Sundari Jal Water Supply Scheme, which serves the city of Kathmandu. All the assistance we have rendered to Nepal has been conceived and made available in a spirit of friendly co-operation between neighbours. It is in accordance with this spirit that we have renamed what was hitherto known as the Indian Aid Mission, as the Indian Co-operation Mission. Despite our own economic difficulties, we have decided to double the quantum of assistance to Nepal to about Rs. 40 crores during our fourth Plan period which

happens almost to coincide with Nepal's current five year Plan. Large numbers of students and trainees from Nepal are studying in our universities and technical institutions. We welcome these and other contacts and would like to see them enlarged and strengthened in both directions.

5. The House will, I am sure, be glad to know that agreement has been reached on the Western Kosi Canal and the East-West Highway. Steps are being taken to sign the concerned agreements and it is expected that work will begin in the present cold weather.

6. The Prime Minister greatly welcomed the opportunity she had for a frank and cordial exchange of views with King Mahendra and Chairman Thapa. Our delegation also had talks with other Ministers and officials of the Government of Nepal. All these discussions have been extremely fruitful and have resulted in closer and mutual understanding between our two countries. Our discussions, once again, revealed a continuing similarity of approach on international issues based on the principles of non-alignment, and peaceful co-existence. Both sides re-affirmed their vital interest in the territorial integrity, prosperity and general well-being of the other. We agreed in particular that international issues should be settled by peaceful means.

7. There was a preliminary discussion on certain issues pertaining to trade. It was agreed that these matters should be more fully considered by the officials concerned. An Indian Trade Delegation is accordingly visiting Kathmandu shortly, and I have no doubt that all the issues will be fully considered by them and resolved satisfactorily.

8. The Prime Minister was accorded a very warm civic reception by the citizens of Kathmandu and had an opportunity of addressing the

Nepal Bharat Maitri Sangh and the women's organisation of Nepal and meeting their members. Her visit to Bhaktapur, near Kathmandu, also enabled her to see something of the splendid cultural heritage of Nepal which has intermingled so closely with our own.

9. The Prime Minister extended an invitation to Their Majesties the King and Queen of Nepal to visit India which they have accepted.

Mr. Speaker, Sir, with your permission I beg to lay on the Table of the House a copy of the Joint Communique issued at the conclusion of the Prime Minister's visit to Nepal. [Placed in Library. See No. LT-7364/66].

Shri Hem Barua (Gauhati): Nepal is a friendly country and we want their friendship to grow. I must congratulate the Prime Minister for finding time to visit this country in order to strengthen the age-old friendship. But, may I seek a clarification from her? May I know whether she had any discussion with the Nepalese State leaders about the military build up by the Chinese on the Bhutanese frontier, as also the general threat that China poses against India today? If so, are we to understand, or how far is it correct, that the Nepalese leaders told our Prime Minister that they do not think that China might attack India again?

The Prime Minister and Minister of Atomic Energy (Shrimati Indira Gandhi): This question was discussed and we expressed our deep concern at the conclusion between China and Pakistan and the news of military build up. As far as I remember, the Nepalese did make no such statement, as the hon. Member is attributing to them.

Shri Hem Barua: I did not hear the latter part of the answer.

Mr. Speaker: The Prime Minister says that as far as she remembers, the Nepalese Government did not

issue such a statement as has been mentioned by the hon. Member.

Shri Hem Barua: They did not issue such a statement. But my information is that the Nepalese State leaders told our Prime Minister that they do not think that China might attack India again.

Mr. Speaker: Then I was somewhat mistaken.

Shrimati Indira Gandhi: One of them did say something to the effect that they do not think it will take place in the near future.

Shri U. M. Trivedi (Mandsaur): When the Prime Minister visited Nepal and immediately thereafter there was news that the relations between Nepal and China were growing cordial. Did it crop up during the talks with the Nepalese leaders by the Prime Minister that their relations with China were as cordial as the relations between India and Nepal?

Shrimati Indira Gandhi: Sir, it is very difficult to compare relations between countries. China is a neighbour of Nepal and naturally they would like to remain friends with China also. But I do not think it in any way interferes with the very close friendship and close cultural ties which we have with them.

श्री मधु सिन्धु : अग्रपक्ष महोदय, भारत नेपाल मैत्री का जो मामला है, वह इतना महत्वपूर्ण है कि मुझे खेद है कि यद्यपि प्रधान मंत्री की यात्रा तीन सप्ताह पहले हुई थी, उस के बारे में क्या आज आ रहा है। मेरा सवाल यह है कि क्या प्रधान मंत्री को इस बात की जानकारी है कि कुछ ही दिन पहले चीन के सहयोग से तिब्बत-नेपाल को जोड़ने वाली एक सड़क बनी है, और पुल वगैरह भी बने हैं, जिन पर टैंक भी जा सकते हैं। जब इच्छागिरी नहर पर पुनः तथा सड़कें बनी थीं, तब सरकार को इस की

[श्री मधु लिमये]

जानकारी नहीं थी। पर इस सड़क के बारे में सरकार को जानकारी है, तो क्या प्रधान मंत्री ने नेपाल सरकार का ध्यान इस श्रौंष विलाया है कि इस सड़क के बारे में, जिहा पर टैंक आदि भी जा सकते हैं, नेपाल के लिए और भारत के लिए भी, एक बड़ा खतरा पैदा हुआ है; यदि हां, तो इस बारे में नेपाल सरकार की क्या प्रतिक्रिया थी ?

श्रीमती इन्दिरा गांधी : जो बात-चीत होती है, वह पूरी बात-चीत तो मैं यहाँ नहीं बता सकती, लेकिन, जैसा कि मैं ने पहले भी कहा है, हमें जो जो शंकाये मालूम होती हैं, चीन से जो खतरे हैं, पाकिस्तान से जो खतरे हैं, उन को हम ने काफी सकारई के साथ उन के सामने रखा।

श्री मधु लिमये : मैं उस सड़क के बारे में जानना चाहता हूँ। और बात-चीत से मुझं मतलब नहीं है।

श्रीमती इन्दिरा गांधी : जो सड़के..

श्री मधु लिमये : सड़के नहीं, सड़क।

श्रीमती इन्दिरा गांधी : हमें मालूम है कि वह सड़क बनी है। वह किस तरह की सड़क है, इस की पूरी जानकारी नहीं थी। अब माननीय सदस्य बताते हैं कि उस पर टैंक भी जा सकते हैं,...

श्री मधु लिमये : जैसे कि मैं प्रधान मंत्री हूँ। इन को जानकारी नहीं है।

Shri Vasudevan Nair (Ambala puzha): As Nepal has very friendly relations with the Chinese Government, may I know whether the Prime Minister tried to find out from the Nepali leaders what is the mood of the Chinese leadership now as far as peaceful settlement of the dispute between India and China are concerned?

Shri U. M. Trivedi: As if there are disputes.

Shrimati Indira Gandhi: What is the first part of the question?

Mr. Speaker: What is the mood of the Chinese Government at this moment according to the estimate of the Nepalese leaders?

Shrimati Indira Gandhi: The mood of the Chinese was not mentioned in the talks.

Shri Vasudevan Nair: In the context of our dispute....

Shrimati Indira Gandhi: We did not discuss the change in the mood of the Chinese.

श्री प्रकाश बीर शास्त्री : (विजनीर) : क्या प्रधान मंत्री को अपनी इस यात्रा के दौरान यह अनुभव हुआ कि नेपाली जनता और नेपाल सरकार भारत सरकार से आर्थिक और राजनीतिक सम्बन्ध बढ़ाने की अपेक्षा सांस्कृतिक सम्बन्ध बढ़ाने के लिए अधिक उत्सुक है और इस दिशा में समय समय पर उन की ओर से कुछ प्रस्ताव भी आए हैं; यदि हां, तो क्या इस यात्रा के बाद प्रधान मंत्री जी इस बात पर विचार कर रही है कि दोनों देशों के सांस्कृतिक सम्बन्ध पहले जैसे हों, या पहले भी अधिक घनिष्ठ हों, और क्या इस सम्बन्ध में कोई नये कदम उठाए गए हैं ?

श्रीमती इन्दिरा गांधी : हम इस कोशिश में हैं कि हम सब तरह के सम्बन्धों को बढ़ाये। मैं माननीय सदस्य से सहमत हूँ कि सांस्कृतिक सम्बन्ध भी बढ़ाने चाहिए और उस पर हम विचार कर रहे हैं।

श्री क.श्री राम गुप्त (अलवर) : एक लम्बा श्रवण हुआ कि जब भूटान के कुछ परिवार जा कर नेपाल में ठहर गए थे। उन का रईया भूटान के प्रति दुश्मनी का और भारत के प्रति अमंतीपूर्ण था। मैं यह जानना चाहता हूँ कि भूटान से

हमारे विशेष सम्बन्ध होते हुए और नेपाल के साथ हमारे मंत्री सम्बन्ध हति हुए क्या प्रधान मंत्री जी ने नेपाल में इस बात की चर्चा की थी कि इस प्रकार के लोगों को वहां न उठरने दिया जाये।

श्रीमती इन्दिरा गांधी: ऐसे मामले में हम देखल तो नहीं दे सकते हैं।

श्री काशीराम गुप्त : देखल का खवाल नहीं है। क्या उन्होंने इस बारे में कोई चर्चा भी की है या नहीं ?

अध्यक्ष महोदय : डा० महादेव प्रसाद।

डा० महादेव प्रसाद (महाराजगंज) : नेपाल में भूमि सम्बन्धी जो कानून लागू हुए हैं, उन की वजह से नेपाल की तराई में जो भारतीय मूद्रत से बने हुए थे और खेती-बाड़ी कर रहे थे, वे उगाड़े जा रहे हैं। क्या प्रधान मंत्री ने नेपाल सरकार के साथ इस बारे में विचार-विमर्श किया है ?

श्रीमती इन्दिरा गांधी : इन की चर्चा हुई थी और हम को बताया गया कि वहां पर जमीन के बारे में जो कानून बने हैं, वे सब पर बराबर लागू हैं, चाहे वे लोग भारत के हों या नेपाल के हों और इस में कुछ लोगों को जबरन कष्ट होगा। इस विषय में बातचीत चाल है।

12-38 hrs.

STATEMENT RE. EFFECTS OF DEVALUATION ON INDUSTRY

The Minister of Finance (Shri Sachindra Chaudhuri): Sir, as Honourable Members are aware, one of the consequences of devaluation of the rupee is that where an industry had imported capital plant and machinery from abroad before the 6th June, 1966 on deferred payment terms, and the whole or part of the cost of such assets is payable on or after that date, it will have to find an additional

amount in rupees to acquire the necessary foreign exchange to discharge its liability. The same is the position where the purchase of the plant and machinery was financed by a foreign loan which remained outstanding wholly or partly on the 6th June, 1966. The existing provisions of the Income-tax Act do not permit industry to write-up the capital cost of such assets by the amount of the additional rupee liability for the purpose of claiming depreciation and other capital allowances under the Act. Industry is also not entitled, under the existing law, to deduct the additional rupee liability in the computation of its taxable income. Government have had under consideration measures for providing relief to industry from the hardship arising out of this situation. The logical and equitable course to relieve this hardship would be to allow industry to write-up the capital cost of such assets by the amount of the additional rupee liability, so as to enable it to recoup the entire amount of such liability by way of depreciation allowance over the useful life of the asset. Government have, accordingly, decided to sponsor necessary amendments to the Income-tax Act for this purpose at the next suitable opportunity.

It has been represented to Government that, besides depreciation allowance, the deduction for development rebate should also be granted in respect of such assets with reference to their capital cost as written-up by the amount of the additional rupee liability. Government have given careful thought to these representations, but are not convinced of the justification of allowing development rebate with reference to the additional rupee liability. This is in view of the fact that development rebate is a deduction which is allowed, under the present law, once and for all, for the year in which the asset is installed or is first put to use, with reference to the actual cost of the asset to the assessee in that year, and not with reference to the additional cost which