

were taken into the Air Force in order to serve at the time of the emergency.

AID TO NEPAL

*161. SARDAR D. K. JADHAV:
Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) the total amount of aid that India will give to Nepal during the current year; and

(b) what are the terms and conditions of the aid?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI DINESH SINGH): (a) A budget provision of Rs. 14.50 crores has been made for the year 1969-70.

(b) There are no terms and conditions of such assistance. This is a programme of economic cooperation planned and executed jointly by India and Nepal. Each development project under this programme is covered by a formal agreement between the two Governments.

SARDAR D. K. JADHAV: May I know whether in giving the aid to Nepal the fact is taken into consideration that certain Indian goods have not been allowed to be imported there?

SHRI DINESH SINGH: The treaty in this respect between the two countries permit certain facilities to the Nepalese to protect their own industries, and on that some action may have been taken by them.

SHRI A. G. KULKARNI: We are giving a certain amount, a very huge amount to Nepal and I do not oppose that amount being given. But may I know specifically whether or not the agreement with Nepal is detrimental to India's industrial and trade interest? In this connection is there any

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proposal with the Government, in view of the criticism levelled against the agreement made by Mr. Bhagat with the Nepal Government, that a lumpsum should be paid to Nepal and the internal trade between Nepal and India should be regulated as a customs trade? Is there any proposal with the Government so that India will be saved from smuggling and loss in customs?

SHRI DINESH SINGH: I would not say. Madam, that the treaty between Nepal and India is harmful to Indian trade interests. Of course certain difficulties have arisen because of that treaty, and those difficulties have to be sorted out and we are doing that. But this is a point that the hon. Member will have to bear in mind. We have had in the past practically no barriers between Nepal and India, movement of people, movement of goods and others, and this treaty was drawn up taking this historical fact into account, and the idea was that there should be free flow of goods and people between the two countries and also there should be co-operation between the two countries. Now to enable to maintain this, there would be necessary a certain element of harmonisation in the policies of the two countries so that whatever is done in Nepal does not harm us and whatever is done by us does not harm Nepal. This is customary in cases where there have been customs union and other arrangements between the two countries. The answer to the difficulties that have arisen is to solve them, not to erect new barriers. We are trying at this stage to bring about greater co-operation not only with Nepal but with other neighbours in the whole region of South and Southeast Asia, and the answer is not building barriers.

SHRI M. K. MOHTA: May I ask the hon. Minister what proportion of the aid of Rs. 14 crores would be in the shape of Indian goods sent to Nepal and what proportion would be in the shape of free foreign exchange, I if any, made available to Nepal?

SHRI DINESH SINGH. I said that this is not money which is handed over to Nepal. It is for joint projects between Nepal and India. Each project is considered and on each project we shall have to see what is the indigenous content and what is the imported content.

श्री जगदम्बी प्रसाद यादव : मैं सरकार से जानना चाहता हूँ कि वह आज की नेपाल सरकार के साथ नये नये प्रोजेक्ट्स के ऊपर जो रुपया खर्च करने जा रही है और उनमें से जो दो प्रोजेक्ट हैं, गंडक प्रोजेक्ट और कोसी प्रोजेक्ट, उसके लिये कैनाल अभी तक नहीं खुल पाया है, तो उसमें सरकार ने क्या प्रगति लाने की उम्मीद की है? साथ ही एक प्रश्न और भी पैड हो जाता है जो पूछा भी गया है कि क्या नेपाल के तस्कर व्यापार के संबंध में, जो बिहार और उत्तर प्रदेश में बहुत 'ह्यूज' स्केल में चल रहा है, कोई मित्रतापूर्ण बातचीत हुई है और अगर हुई है तो उसमें क्या प्रगति हुई है।

श्री दीनेश सिंह : जी हां, तस्कर व्यापार के संबंध में बातें हुई हैं। हम लोग इस की कोशिश कर रहे हैं कि यह तस्कर व्यापार बंद हो और उसके बारे में हमारे साथी, जो फारेन ट्रेड के मंत्री हैं वह विचार कर रहे हैं। जहां तक गंडक और कोसी के कैनाल के बारे में माननीय सदस्य ने पूछा, तो जब नेपाल के विदेश मंत्री यहाँ आए थे तो मैंने उनसे इस संबंध में बातें की थीं और उन्होंने कहा था कि वह नेपाल वापस जाकर देखेंगे कि इसमें कठिनाई क्या है। मैं आशा करता हूँ, मैं नेपाल शीघ्र जाऊंगा तो वहाँ इसके बारे में और बातें होंगी।

*201. [The questioners (Shri Sitaram Jaipuria, Shri Jagat Narain and Sardar Ram Singh) were absent. For answer, vide cols. 3104-3105 infra.]

COMMISSIONING OF HELICOPTER SQUADRON IN NAVY

*351. SHRI M. K. MOHTA: Will the Minister of DEFENCE be pleased to state:

(a) whether Indian Navy's first helicopter squadron was commissioned recently;

(b) whether the helicopters have been imported from other countries:

(c) if so, the names of the countries and the number of helicopters obtained from each: and

(d) the expenditure incurred thereon?

THE DEPUTY MINISTER IN THE MINISTRY OF DEFENCE (SHRI M. R. KRISHNA): (a) Yes, Madam.

(b) and (c) But for two imported from Fiance, the remaining helicopters have been procured from indigenous production.

(d) It would not be in the public interest to give this information.

SHRI M. K. MOHTA: May I ask the hon. Minister as to whether the production of helicopters in the country is now sufficient to meet the requirements of the Defence Forces and if not, to what extent is it sufficient to do so?

SHRI M. R. KRISHNA: On March 15, 1969, we have commissioned a squadron. At present the units are equipped and the production of helicopters in this country is going on fairly satisfactorily.

*352. [The questioners (Sarvashri Rizak Rain and Krishan Kant) were absent. For answer, vide col. 3107 infra.]

LOSS SUFFERED DUE TO CLOSURE OF SUEZ CANAL AND TRADE WITH ARAB COUNTRIES

*353. DR. BHAI MAHAVIR: Will the Minister of FOREIGN