

0522

~~Top Secret~~ (M)

CIA/CPAS | NID 89-269JX

No further dissemination



Director of Central Intelligence

# NATIONAL INTELLIGENCE DAILY

Monday, 20 November 1989



APPROVED FOR RELEASE  
DATE: AUG 2001

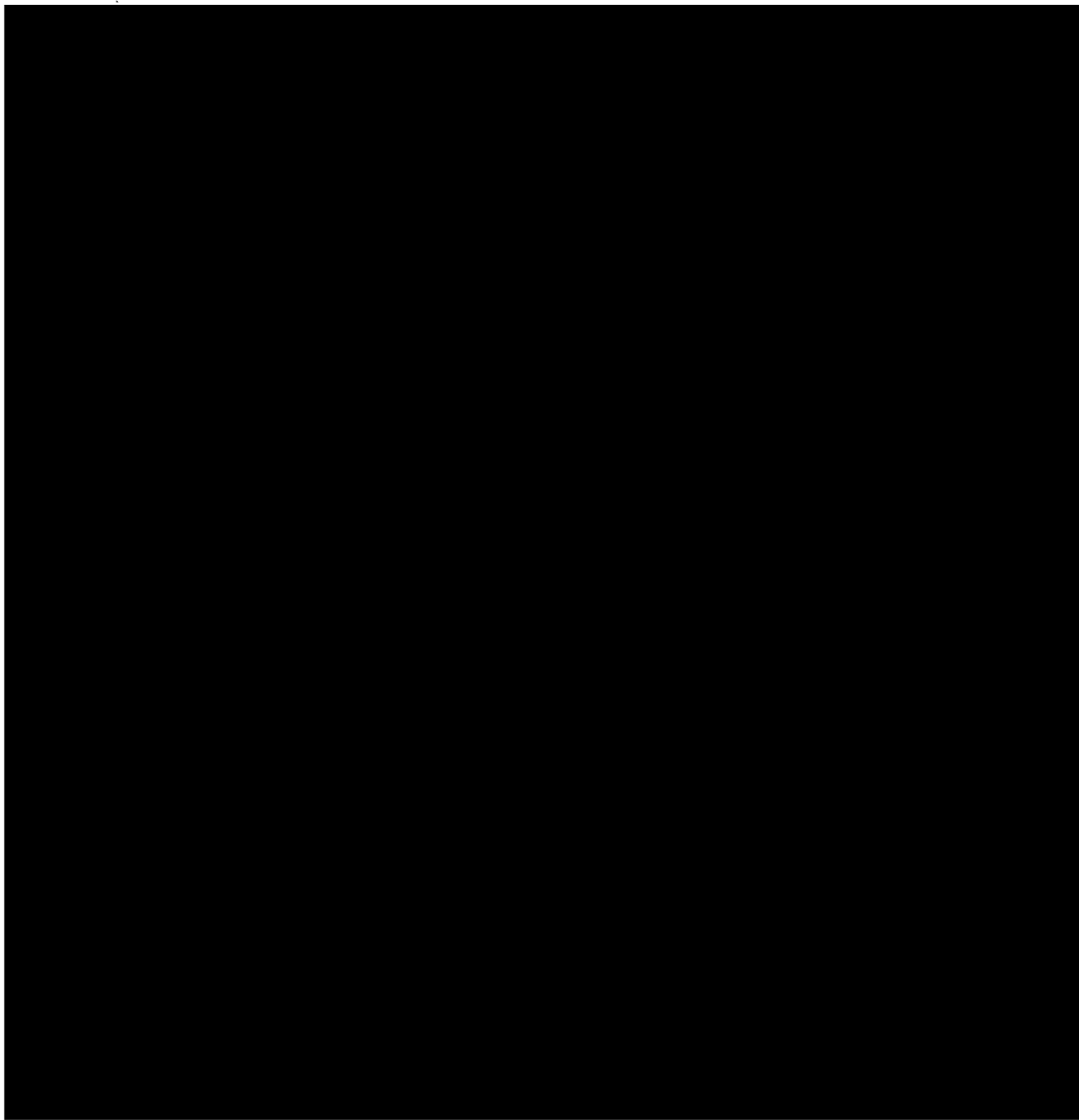


TCS 2559-89 COPY 604

~~Top Secret~~  
CPAS NID 89-269JX  
TCS 2969/89  
20 November 1989

22

0523



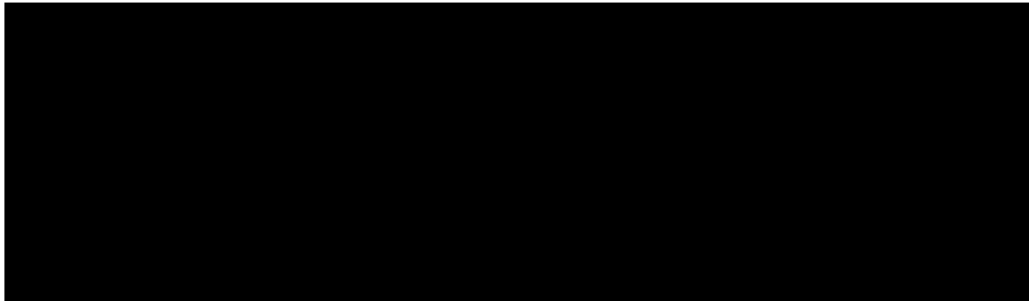
0524

~~Top Secret~~

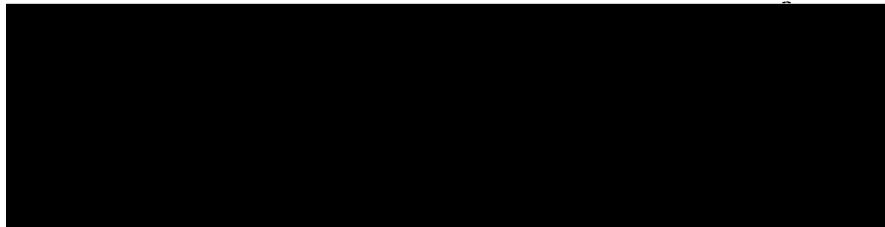
~~SECRET~~  
ORCON

**Contents**

---



**Notes**

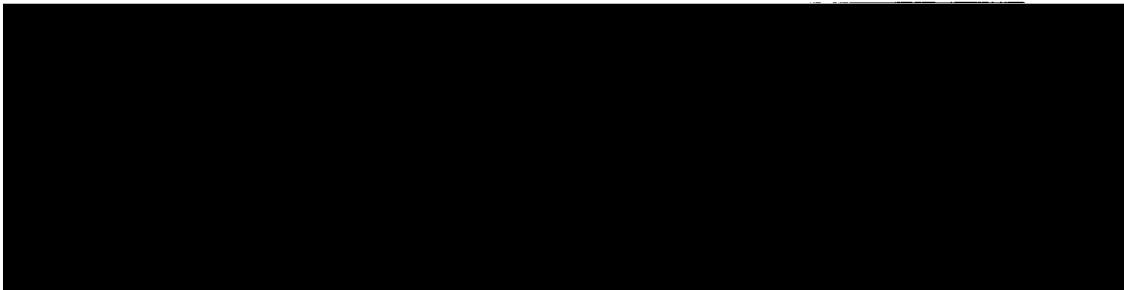


**India:**



: Talking About a Compromise With Nepal

12



~~Top Secret~~

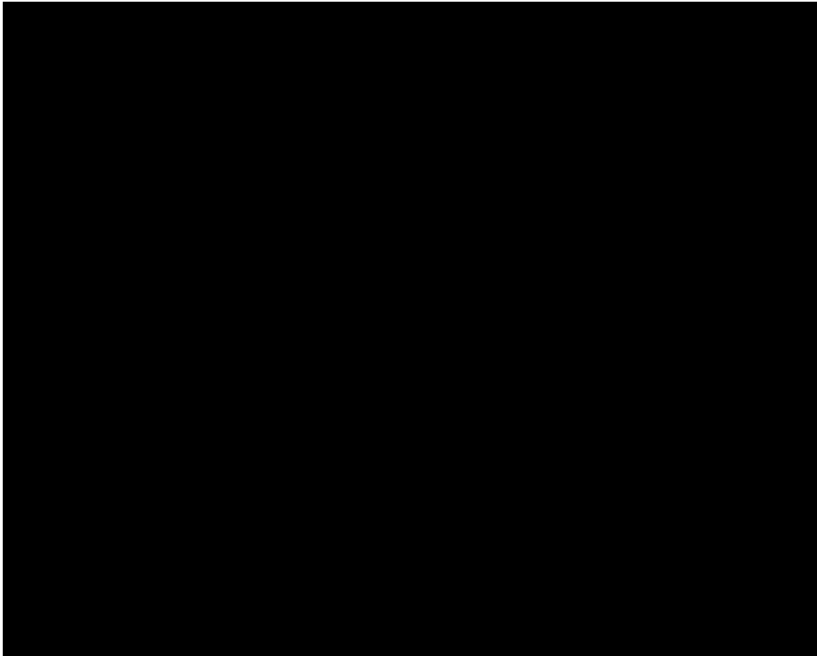
TCS 2969/89  
20 November 1989

~~Top Secret~~

**INDIA: Talking About a Compromise With Nepal**

A senior Indian official has offered Nepal a compromise to end the dispute that erupted after a trade and transit treaty expired last March. [REDACTED] some Nepalese officials reacted skeptically to the proposal, which [REDACTED] includes an offer to recognize Nepal as a zone of peace if Nepal leaves intact a 1950 treaty of peace and friendship with India. [REDACTED]

**Comment:** King Birendra almost certainly will consider any serious Indian proposal because the impasse has led to shortages and inflation and because foreign assistance he had hoped to receive has not materialized. India probably would like to see the 1950 treaty retained because it mandates that Nepal accept some Indian security concerns, while Kathmandu has long pressed New Delhi to accept the zone of peace proposal. In addition to the dispute over the expired treaty, the two countries have other major problems—such as Nepal's ties to China and each country's treatment of resident nationals from the other. [REDACTED]



~~Top Secret~~

TCS 2969/89  
20 November 1989