

CHINA POLICY

India Must Expand Area Of Cooperation

By HARSH V PANT

51-8
26/11

As India and China conclude the 14th meeting of the Joint Working Group on the boundary question and as Atal Behari Vajpayee gets ready to undertake his visit to China some time early next year, the first by an Indian Prime Minister to China in nearly a decade, perhaps it's time to assess India's attitudes towards its most important neighbour and, probably, an emerging superpower. One must say "attitudes" because it is not very clear if India has a well thought-out China policy. Certainly, much water has flown down the Ganges since George Fernandes called China our "enemy number one" and Vajpayee wrote to the US that Indian nuclear tests were a response to the threat posed by China.

Uncertain future

Now, some four years later, China has become a "competitor" for Vajpayee and "no threat" for George Fernandes. What has brought about this remarkable transformation, of course, remains absolutely unclear. However, this is not merely a question of semantics as some would like to think but reflects a muddled thinking about China that is so representative of our entire foreign policy. But whereas in other aspects of our foreign policy we may live with some confusion, India can ignore China's growing weight in Asia and the world at large only at its own peril.

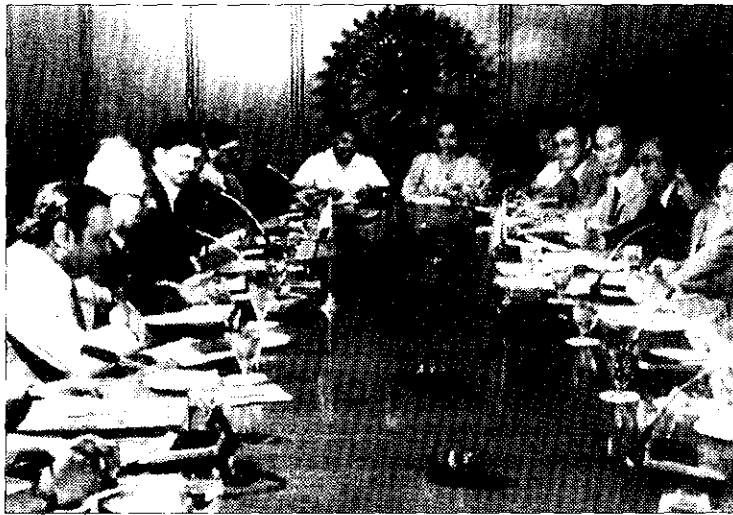
The number one priority for China's leadership today is economic growth and social stability. After undergoing one of the most peaceful political transformations in its recent history, China's leadership today is a mix of both new and old, with Jiang Zemin controlling the actual levers of power. So, any fundamental changes in China's foreign policy do not seem to be in the offing, at least not with regard to India. China's focus is going to be on maintaining its high rates of economic growth in the coming years, even as the global economy moves into a recession and income inequalities in China become hard to manage. So far China has managed remarkably but the future remains highly uncertain.

Instead of trying to take a tip or two from China's management of its economy, we in India either envy China or try to dismiss its economic growth as a façade, a la Jaswant Singh. Our government is not sure whether it should base its

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economic policies on sound economic principles or listen to a lunatic fringe that has no idea as to what economics is all about. As long as we do not place our own economic house in order, we will remain a second-rate power even in Asia. And China will remain the Asian power that the world will look up to when trying to manage problems in Asia.

It is China's economic transformation that has given it the capability to become a military power.



Its rapidly modernising military is another aspect that India should be worrying about. It may or may not be able to take on the US in the next few years but it will surely become the most dominant force in Asia. As China becomes more reliant on imported oil for its rapidly growing industrial economy, it will develop and exercise military power projection capabilities to protect the shipping that transports oil from the Persian Gulf to China. This would require access to advanced naval bases along the sea lines of communication and forces capable of sustaining naval and air superiority.

Threat to India

China's assistance to Burma in constructing and improving port facilities on two islands in the Bay of Bengal and the Andaman Sea is the first step to securing military base privileges in the Indian Ocean. This can be used as a listening post to gather intelligence on Indian naval operations and as a forward base for future Chinese naval operations. China's increasing naval presence in the Indian Ocean is occurring at the same time as Indian naval expansion has come to a standstill and this can have great strategic consequences as India's traditional geographic advantages in the Indian Ocean are increasingly at risk with deepening Chinese involvement

in Burma. China has also been actively occupying islands, reefs, and islets throughout the disputed South China Sea, occasionally resulting in skirmishes with rival claimants. Though not of any direct strategic consequence for India, this shows that China is serious about making its military presence felt in Asia.

In so far as China's India policy is concerned, it is based intentionally, if only implicitly, on threatening India. It has tried hard to

esteem but it must be recognised that China has played its cards rather well vis-à-vis India. China continues to withhold the recognition of Sikkim as a part of India, probably holding it as a bargaining chip in its dealings with India. There were even reports earlier this month that the Chinese troops have intruded into the Indian territory along a stretch of the unfenced border with Arunachal Pradesh. China seems to be getting successful in hemming India in from both the eastern and western flanks.

Conflicting interests

Even as China has solved most of its border disputes with other countries, it is reluctant to move ahead with India on border issues. And the fact that we are even discussing border issues with China is seen by India as a great concession. India remains satisfied with the "positive" and "satisfactory" JWG negotiations on the boundary issue. No results have been forthcoming so far even as the talks continue endlessly and the momentum seems to have flagged.

The best that India can do is to first put its own house in order. India needs to develop its economic and military might and not be apologetic about it. It needs to clearly articulate its national interests and engage China on a host of issues, from the border problem to the alleged dumping of cheap Chinese goods in the Indian market. India needs to recognise that appeasing China is neither desirable nor necessary even as a direct confrontation with China is not something India can afford.

India and China are two major powers in Asia with global aspirations and some significant conflicting interests.

As a result, some amount of friction in their bilateral relationship is inevitable. The geopolitical reality of Asia makes sure that it will be extremely difficult, if not impossible, for *Hindi-Chini* to be *bhai-bhai* in the foreseeable future.

This reality should be accepted by the Indian policy makers, rather than wished away. India should make a serious attempt to manage this friction by expanding the area of cooperation with China even as it tries to steadfastly pursue its national interests. India can learn a lot by examining how China has managed its relationship with the US in the last few years.

For this to happen, the government of India will have to formulate a clear China policy. Ad hocism will not do.

It might be a blow to our self-

Mind your neighbour's business

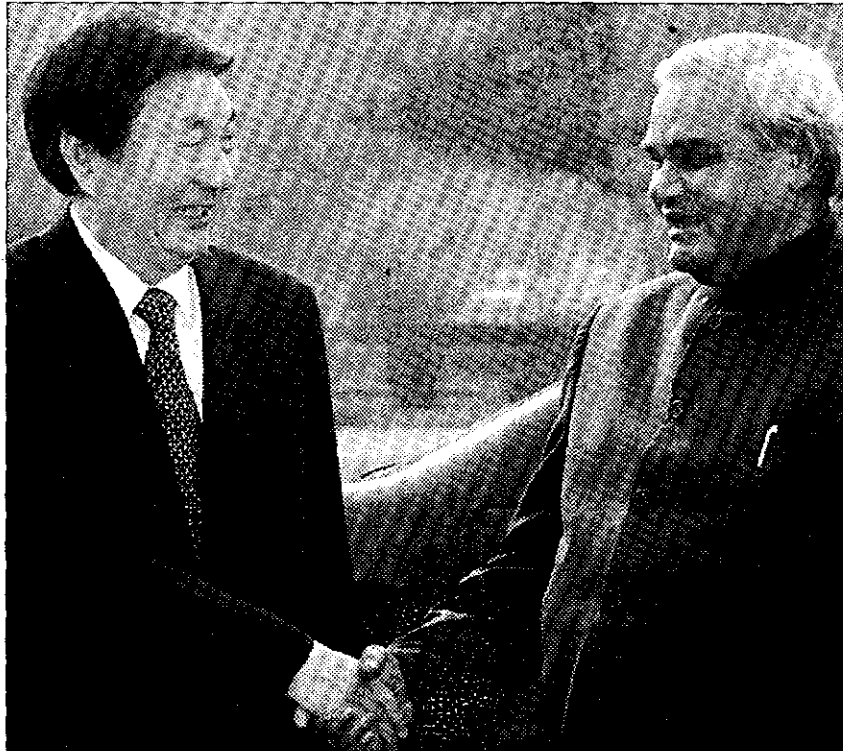
An intriguing and dangerous pattern is emerging in Chinese and American attitudes about Indian foreign affairs which could undermine India's international position if left unchecked. China's approach is to build special links with the Islamic world and the corollary is to actively marginalize Indian positions. The American approach, as expressed by the state department in Washington, and the posturings of the United States of America with regard to India, too, has a sub-text and the agenda of anti-terrorism is fast becoming a side show. It is important to examine these trends because they have a common purpose, that is to sideline India and to confuse the Indian political establishment.

Recent developments show the major role played by deception and indirect approach in Chinese and American foreign affairs. This is probably the influence of Sun Tzu's ideas. In the classical Chinese manual on statecraft, "The Art of War", Sun Tzu emphasized three essentials. One, false appearances must be promoted to confuse the enemy. This is known as black propaganda which communists have promoted since the days of V.I. Lenin and which Western intelligence practitioners like Allen Dulles have recognized as the basis of modern statecraft. Two, Sun Tzu stressed that the tactics must be flexible and they must adapt to the enemy's condition. Three, there must be quick concentration on the enemy's point of weakness. Sun Tzu is widely studied in American military and diplomatic academies as well as in business schools and forms the basis of statecraft in US foreign relations.

What exactly compromises India's position? The point of weakness as always goes back to the days of Jawaharlal Nehru-Lord Mountbatten, and it may even be stretched to as far back as the *raj* or even the Mughal empire. It lay in the vulnerability of the Indian political centre to palace intrigue and to external manipulation and advice. This is the dominant pattern in Indian political and military history. Such intrigue or manipulation is easily organized when the political centre is disunited and lacking in consensus about "national" strategies and methods, when it has not developed a

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The border dispute is only one of the outstanding issues that plague bilateral relations between India and China, write **M.L. Sondhi and Ashok Kapur**



Beneath the facade

strategic game plan and moves in relation to its external enemies. Indian political and bureaucratic practitioners are still wedded to the idea that nations naturally seek peaceful relations, and that Indian security lies in peace talk and search for friendly relations. The rest of the world meanwhile sees India as a country increasingly dominated by internal frictions within the political establishment at the level of decision-making and within society. The Atal Bihari Vajpayee-L.K. Advani feud is an example of the former; the situation in Kashmir and Gujarat is an example of the latter. Since the frames of reference are different the advantage lies with the foreigner who is better organized and has a clear strategic purpose.

US and Chinese moves in India show how quickly and quietly Beijing-Washington are confusing the Indian political establishment with wrong inputs. The false appearance is that both the US and China seem to be fighting against terror, which is one reason why Iraq apparently has to be disarmed. But this is public re-

lations hype. Beijing has excellent military and diplomatic relations with Islamic countries which are involved in the advancing of terrorism, pre-September 11 and thereafter — Saudi Arabia, Iran, and Pakistan. So does the US.

In the diplomatic circles of New Delhi it is widely known that neither the US nor China will act against Islamic terrorism in the subcontinent, nor will they back India's action against terrorism. For India, anti-terrorism will remain a 20-year campaign which will sap its energy, resources and political will. In the meantime, Kashmir may be encouraged to detach from India.

Even George W. Bush's international campaign against Saddam Hussein gets an interesting twist in American diplomacy in New Delhi. Indians are encouraged to extend a lukewarm support to Saddam Hussein, even though this is against the official Bush line. There is a calculation in this. Indian support for the Iraqi dictator will earn it no extra points in Baghdad, but it will be enough for both Washington and Beijing to show

that Indians are ambivalent about Saddam Hussein while the international community in the security council is so firmly against him.

The policy to concentrate on the enemy's point of weakness is shown by the orchestrated campaign to get Vajpayee to Beijing. To do what? The dream merchants suggest that this visit will change Himalayan geo-politics for mutual gain. The reality might be quite different. This might be interpreted as an attempt on China's part to secure Indian consent or concession for Chinese policies in the Himalayan region as well as with regard to Pakistan, Myanmar and the Indian Ocean area. China also wants Indian support for the Maoists in Nepal and the pro-China king, and by default for the Nepalese Maoists in Bihar. There could also be a long-term plan on the part of Beijing to demoralize the Tibetans with the apparent support of New Delhi for China's policy of accommodation, which currently is a game of words and propaganda.

The confusion stems from a simple and false idea, that is, the Sino-Indian problem centres around the Himalayas. But the border issue is the symptom, not the cause of the conflict. There are other issues involved — the China-Pakistan-North Korean nuclear and missile trade, China's naval policy in the Coco Islands and the Indian Ocean, China's view that the Indian Ocean should not be called "Indian". China's indirect geopolitics in the Himalayan region will not alter unless there is a fundamental change in the way China looks at India with respect to other Asian powers.

India should also realize that opening up Sikkim to Chinese trade is akin to opening the gate to Chinese military trade in a region where geography favours Chinese military movement. It is also an open invitation to China to cut off India's Northeast through the Siliguri corridor in a military crisis. Such ideas are incoherent and show a lack of understanding of modern geopolitics. It is also foolish to think of Tibet as a peace zone when it is bristling with Chinese missiles, road and rail construction and mass migration of the Han population. To open up the Himalayan region is like opening up Myanmar to China.

In other words, the target for Indian diplomats should not be the Himalayan region, rather the mind-set of the Chinese decision-makers in much the same way that the Indian mind is the target for Chinese and American diplomacy.

25 DEC 2002
25 DEC 2002

'India, China no mutual threats'

Press Trust of India

BEIJING, Nov. 25. — Stressing that India and China do not regard each other as "threat", China's new military chief Gen. Liang Guanglie today said Beijing attaches importance to mutual understanding and trust with New Delhi.

Gen. Liang, who was appointed as the chief of the 2.5 million-strong People's Liberation Army last week, told visiting Commander-in-Chief of the Central Command of the Indian Army Lt-Gen. DS Chauhan that the top leadership of the two countries have repeatedly stressed that India and China do not view each other as a threat. Gen. Liang, also a member of

the powerful ²⁰⁷⁴ Central Military Commission of the Communist Party of China, said that in 1996, when Chinese President Mr Jiang Zemin visited India, the two countries established constructive and cooperative ties which guided the development of bilateral relations.

Further, in 2000, the then Indian President Mr KR Narayanan confirmed during his visit to China that the two countries would continue to abide by the five principles of peaceful co-existence and not regard each other as a threat.

China attached importance to enhancing mutual understanding and trust with India, he said, stressing that developing inter-state and inter-

military ties was conducive to improving mutual understanding.

Incidentally, Lt-Gen. Chauhan is the first foreign military official to meet with the new PLA chief of staff. Lt-Gen. Chauhan, who is leading a high-level Indian Army delegation to China, said he hoped the current bilateral negotiations on border issues would yield positive results, adding the sound relationship between the two countries and their armed forces had played a significant role in maintaining regional peace and stability. Mr Kui Fulin, deputy chief of general staff of the PLA, also met with Lt-Gen. Chauhan earlier today, the official Xinhua news agency reported.

THE STATESMAN

26 NOV 2002

PM's China visit: a Himalayan deal?

By C. Raja Mohan

AS INDIAN and Chinese officials try to finalise today the plans for the long overdue visit of the Prime Minister, Atal Behari Vajpayee, to Beijing, a few questions immediately come to mind. What kind of a visit must Mr. Vajpayee undertake? A feel-good summit with the old and new Chinese leaders, or a substantive one that grapples with key bilateral problems at hand?

Mr. Vajpayee's visit will be the first by an Indian Prime Minister to China in nearly a decade. The last such trip was by P.V. Narasimha Rao in September 1993. Prior to that Rajiv Gandhi undertook a historic mission to Beijing in December 1988 to normalise relations with China. From the Chinese side, the highest level visit to India was by the President, Jiang Zemin, in November 1996.

There is indeed a good case to make exchanges at this level more frequent. It is deplorable that only three such visits have taken place in nearly a decade and a half between the world's two largest countries and neighbours. To have annual visits by the top leaders must indeed be one of the decisions from Mr. Vajpayee's visit. However, since the Prime Minister is travelling to Beijing after so long, there must be a lot more coming out of the visit. But there might be too little time before the visit and the problems between the two nations are far too many to expect substantive outcomes in the next few weeks.

Yet, it is possible for Mr. Vajpayee and his Chinese interlocutors to come up with one big idea that could drive bilateral relations forward in the coming years.

Here is a simple proposition: let India and China declare their national commitment to transform the Himalayas from the political barrier they are today into a passage between the two great civilisations. To avoid it from becoming an empty slogan, the two leaders must give decisive instructions to their bureaucracies to sort out in quick time the many difficulties that stand in the

The time is now for India and China to begin the transformation of the geopolitics of the Himalayan region from confrontation to cooperation.

way of making the Himalayas a bridge between the two large markets.

It does not take long to recognise that many of the long-standing problems between the two nations are centred round the Himalayas — these include the boundary dispute, misperceptions on Tibet and China's non-recognition of Sikkim as a part of India.

At another level, both sides nurse huge political grievances that each one's right to operate across the Himalayas has been severely curtailed by the other.

India is deeply concerned that its traditional cultural and trading links with Tibet have snapped under Chinese control. China, on the other hand, believes that India actively prevents it from establishing full relationship with the kingdoms on the southern side of the Himalayas, such as Nepal and Bhutan. Deepening this sense of injury has been the proclaimed loss of territories as well as the notions of "buffer states" and "spheres of influence".

The rivalry of the last four decades has resulted in attaching undue importance to these concepts inherited from the imperial age. The ideas on buffer states, spheres of influence and the insulation of national spaces from interaction with the neighbours have little meaning in this age of globalisation. No nation can be kept out of key areas in its own neighbourhood in the modern world in the name of high principle or a perception of historic injustices.

At a time when both India and China are adapting to the logic of trade flows and movements of people across borders, it makes little sense to keep the Himalayas in a state of permanent political tension. The time is now for India and China to begin the transformation of the geopolitics of the Himalayan region

from confrontation to cooperation.

The easiest place to start would be Sikkim. There is little justification in China withholding a recognition of Sikkim as a part of India and showing the Indian State as an independent entity. An unwillingness to move forward on Sikkim only deepens the Indian suspicion of Chinese intentions on the key question of India's territorial integrity.

WORLD VIEW

An explicit and unambiguous Chinese recognition in whatever form would allow India to reopen Sikkim to trade with China through Tibet. Restoration of trade links would also involve the reopening of the historic silk road that runs between Sikkim and Tibet through the Nalu La pass. The establishment of trade offices and the facilitation of travel in larger numbers by tourists, pilgrims and businessmen across the Himalayan divide would follow. Renewal of trading across the Himalayas would fit in nicely with the developmental needs of both Tibet and Sikkim. As part of its strategy of globalising Tibet, China is actively seeking to forge economic links between Tibet and its neighbouring regions. It is seeking foreign investment and tourist flows to boost the economic prosperity of Tibet.

This provides a huge opportunity for India to restore its historic ties with Tibet, not as a matter of legal right but as a practical outcome of expanding trade and people-to-people contact.

On the political questions relating to Tibet, the outlook is promising. Contacts have been re-established between Beijing and the Dalai Lama, spiritual leader of the Tibetan people exiled in India for more than four decades.

All indications are that China is likely to begin talks with the Dalai Lama's representatives in the near

future. India, which has long acknowledged that Tibet is an autonomous part of China, has a strong interest in an early settlement of the issue and the return of Tibetan refugees back home.

On Bhutan, India should not be seen as obstructing the establishment of diplomatic relations between Thimpu and Beijing. China argues that Bhutan is the only nation in the region with which it has no formal relationship. New Delhi, at the official level, says it is up to Bhutan, which has been generally cautious about international relations, to decide on this issue. In the long run, India cannot stop Bhutan from establishing diplomatic ties with China. Nor is it worth trying.

On the boundary issue, the Vajpayee Government asked and got the Chinese to agree to a faster pace in the talks on delineating the Line of Actual Control on their long and contested border.

After the successful exchange of maps in the Middle Sector, the indications are that the momentum of the talks has flagged in the more difficult Western Sector. The political leadership in New Delhi and Beijing must intervene to prevent it from reaching an impasse. More fundamentally, the Vajpayee visit to China must result in the identification of a set of principles for the resolution of the boundary dispute itself. This is not beyond the diplomatic grasp of New Delhi and Beijing.

In 1988, Rajiv Gandhi released Sino-Indian relations from being a hostage to the boundary dispute and created a framework for negotiations on the border.

In 1993, Mr. Narasimha Rao moved the ties forward and got an agreement to maintain "peace and tranquillity" on the border. A decade later, Mr. Vajpayee has an opportunity to identify the elements of a potential settlement of the boundary dispute and transform the Himalayas into a zone of "trade and prosperity". If the Chinese are ready to play ball, Mr. Vajpayee should grab it with both hands.

THE HINDU

21 NOV 2002



the second match against the West Indies. Neeraj Priyadarshi

India, China competitors: defines PM

■ Sinha claimed Look East policy had nothing to do with China

NAVIKA KUMAR
ON BOARD PM'S AIRCRAFT, NOV 8

The PM's statement also indicates that India may go in for an aggressive strategy to match the Chinese competition in the ASEAN region.

MARKING a major change in foreign policy, Prime Minister Atal Behari Vajpayee today said, for the first time, that there was a 'healthy competition' between India and China. India's stand has so long been that its 'Look East' policy had nothing to do with any threat or competition from China.

Vajpayee's statement assumes significance, especially after External Affairs Minister Yashwant Sinha had categorically said on several occasions that India was not competing with China but was trying to develop its own relations in the east. This was in the context of India's "me-too" policy of offering to set up a free trade area with ASEAN over the next 10 years a day after China signed up for the same.

India, the Prime Minister said, had for long developed ties with countries in ASEAN (Association of South East Asian Nations), but on an individual basis. Now with India's entry in the ASEAN region as a regular dialogue partner, "doing business and trade will be easier."

Addressing the media after his three nation tour of Cambodia, Laos and Thailand, Vajpayee said that India has come a long way since the time "when it was difficult for us to even knock on ASEAN doors to a time when India's strength and influence in the region have undergone a great change."

He said Thailand — whose Prime Minister Thaksin Shinawatra he met today — had great plans for

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Poll record tainted, Farooq wants to sue

MUZAMIL JALEEL
SRINAGAR, NOVEMBER 8

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AGE 2

THE National Conference today threatened to take legal action against Chief Election Commissioner J M Lyngdoh for his remarks that there were attempts by "a few people, basically in the police" to sabotage the J&K elections in favour of the ruling party.

During an interview show on Sabe TV, Lyngdoh also said that there was a plan to release surrendered militants so that they could infiltrate the electorate but it was foiled.

"He (Lyngdoh) should substantiate it with evi-

'No communal poll talk in Gujarat'

■ The law will be "rigidly" enforced against politicians using communal propaganda for elections in Gujarat, CEC J M Lyngdoh has said. Asked whether he was referring to the likes of VHP leader Praveen Togadia, Lyngdoh said, "It could be anybody. Whoever it is".



dence," former Chief minister Farooq Abdullah said this morning. "It's unfortunate.

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9 NOV 2002

Talks with China close

7.8
OUR SPECIAL CORRESPONDENT 1/10

New Delhi, Sept. 30: The third round of security talks between India and China concluded in Beijing yesterday, with both sides emphasising the need to combat global terrorism and work together on issues of bilateral, regional and international importance.

"The dialogue consisted of an overview of the current international security situation including the campaign against terrorism, introduction of each other's national defence policies, various issues related to regional security and cooperation,"

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China
Sheel Kant Sharma, joint secretary, disarmament and international security affairs of the foreign ministry, was quoted by agencies as saying in Beijing.

He said the two sides discussed the current state of affairs in India-Pakistan relations, but did not go into details.

Sharma claimed that the third round of talks has led to better understanding of mutual concerns. "Both sides adopted a forward-looking approach to the dialogue. As China's largest neighbour, we attach importance to exchanging views with it and, similarly, the Chinese side also showed interest in discussing issues of common concerns."

Apart from global terrorism, the two sides discussed the need for an introduction to each others' defence policies and issues related to regional security and cooperation, such as the Asean Regional Forum, confidence-building measures in Asia and developments in the Korean peninsula. The international disarmament agenda also came up for discussion.

The foreign ministry issued a statement highlighting the points discussed at the meet that came as part of the confidence-building measures initiated by the two sides to mend acrimonious relations following India's May 1998 nuclear tests.

Tibet: India's bridge to China

By C. Raja Mohan

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10-11
NEW DELHI, SEPT. 1. Historically, Tibet has been the bridge between the two ancient civilisations in India and China. But as the two nations stepped out into the modern world in the middle of the last century, Tibet immediately became the bone of political contention between New Delhi and Beijing.

Differences between the two on their respective relations with Tibet cast a dark shadow over Sino-Indian ties and eventually led to the war in 1962. Despite the continuing effort over the last decade and a half to normalise bilateral relations, Tibet remains the lump in the throat of Sino-Indian ties. It can neither be spat out nor swallowed.

Must Tibet remain forever a barrier between India and China? Not necessarily. Some creative diplomacy from New Delhi and Beijing could help restore Tibet to its natural role as the land bridge between the two nations.

The massive changes in China and Tibet over the last two decades have unexpectedly opened the door for a realisation of India's long-standing political objectives — autonomy for Tibetan people and the protection of their unique culture that is deeply linked to the Indian civilisation, and preserving the special historic ties between New Delhi and Lhasa. The diplomatic challenge lies in reframing these issues for the new political environment of the 21st century.

Over the last five decades, Beijing has largely won the point that Tibet is an integral part of China. But it also had to move away from the repression of Tibet from the late 1950s towards more liberal and accom-

modative policies from the early 1980s, when Deng Xiaoping launched China on the path towards rapid modernisation.

Even as it transforms the economic conditions in Tibet, China knows it still needs a final political settlement with the Dalai Lama who has lived in exile in India for more than four decades. The Dalai Lama himself has given up the notion of independence and is willing to explore the objective of "genuine autonomy".

The debate today between the Dalai Lama and Beijing is about the terms of such a dialogue and not its necessity. There have been some interesting contacts between the two sides in recent years. The most recent was the "personal visit" a few weeks ago of Gyalo Thondup, the Dalai Lama's elder brother and occasional emissary to

DIPLMATIC NOTEBOOK

Beijing, to Tibet for the first time in five decades.

After his visit, Mr. Thondup has spoken positively about the changes in Tibet and sounded upbeat about the prospects of a dialogue between the two sides. It is in India's interest to encourage both sides to begin talks at the earliest. A substantive dialogue between Beijing and the exiled Tibetan leadership would dramatically alter the template of Sino-Indian relations.

The historic trading and pilgrimage rights that India enjoyed before the Chinese entry into Tibet were suspended amidst the deteriorating relations between the two in the late 1950s. Today, India is in a position to regain those privileges, not as a matter of legal right derived from past treaties, but

purely from the economic logic of globalisation. As China set out on a strategy of peace and development from the early 1980s, Beijing creaked open the door for Indian pilgrims wanting to travel to Mount Kailash and Lake Manasarovar. But now, as China seeks to globalise Tibet, it is ready for larger flows of Indian tourists and pilgrims.

Even more important, globalisation and the geography of Tibet have made it imperative for Beijing to explore expanded trade relations between the region and its neighbouring countries. And India is the biggest neighbour of Tibet. The time has come to open up and upgrade the historic trade routes between India and Tibet.

Well into the 1950s, Tibet depended on India for the supply of many of its day-to-day essentials. Tibet is, indeed, far more integrated into the Chinese economy today than in the 1950s.

Nevertheless, there is a huge market in Tibet and its bordering Chinese provinces that India today could explore.

As interesting possibilities emerge for reviving the movement of goods and people across the Indo-Tibetan border, it is serendipitous that the current Indian envoy to China, Shiv Shankar Menon, has a special personal link to Tibet. Mr. Menon spent some years of his childhood in Tibet, when his father, P.N. Menon, who was in the Indian Foreign Service, was posted as the Consul General in Lhasa in the early 1950s.

Arvind Deo, who later served as ambassador to Nepal, was the last Indian Consul in Tibet. Re-establishment of the Indian consulate in Lhasa, shutdown in December 1962, should no longer be a distant dream, as New Delhi and Beijing discover the mutual benefits of making Tibet a bridge between the two nations.

August date for China talks on security

FROM PRANAY SHARMA

New Delhi, July 15: India and China will engage in a crucial security dialogue in Beijing next month, when the two sides will get an opportunity to exchange views and information on important international and regional developments. The current military stand off between India and Pakistan will be one of the topics likely to come up for discussion at the forthcoming talks.

China is one of Pakistan's closest allies and Beijing has been advocating an early resumption of the stalled dialogue between New Delhi and Islamabad. The security meeting will give India the chance to explain its position on the current stand-off with Pakistan and express its legitimate concerns, which led to the mobilisation of troops along the Line of Control and the international borders.

The developments in Afghanistan, particularly the presence of the American troops and its impact on the security of the region, would also feature at

next month's talks.

This is the third round of the annual security dialogue between Beijing and New Delhi, which took place for the first time in the Chinese capital in August 2000. The second round was held in Delhi and as per the agreement, Beijing will host this year's talks.

The Indian leadership would like to be assured that its eastern border remains calm in the event of an armed conflict between India and Pakistan. The forthcoming dialogue will provide New Delhi with the opportunity to get an idea of what the Chinese are doing in India's periphery and the impact of such activities on India's security.

The security dialogue was decided during foreign minister Jaswant Singh's visit to Beijing in 1999. It was an attempt on New Delhi's part to engage with China following differences created by remarks of defence minister George Fernandes describing Beijing as India's "potential enemy number one".

From the Chinese point of view, the security dialogue would

be seen as Beijing's attempts to come to terms with India as a nuclear power. China has been one of the most vocal critics of the nuclear tests in Pokhran in 1998 and one of the main votaries of United Nations Security Council Resolution 1172 calling for the dismantling of Indian and Pakistani nuclear and missile programmes.

For India, China's close links with Pakistan on the military level and Beijing's support to Islamabad's nuclear and missile programmes have been major causes for worry. The Chinese leadership has maintained that its cooperation with Islamabad on missile technology came within the international framework. But this has not convinced the Indian leadership, which continues to regard missile cooperation with Pakistan as a major irritant in Sino-Indian relations.

The Indian leadership is aware of China's close relationship with Pakistan. But New Delhi wants to engage with China to ensure that Beijing keeps Indian concerns in mind for the future.

15 JUL 2002

THE TELEGRAPH

110 &
30/6

China calls for Indo-Pak. talks

BEIJING, JUNE 29. Emphasising that all South Asian countries should cooperate in combating terrorism, China said today that it stood for reconciliation between India and Pakistan through dialogue to establish peace in the region.

At a meeting here with the visiting newly-appointed Pakistan Deputy Foreign Minister, Inam-ul Haq, the Chinese Foreign Minister, Tang Jiaxuan, said the fight against terrorism needed the cooperation of all South Asian countries on the basis of equality and mutual respect.

Appealing to India and Pakistan to resume talks, Mr. Tang said the international community and the U.N. Security Council had reached a consen-

sus on averting a conflict in South Asia over Kashmir issue.

In dealing with issues concerning India-Pakistan relations, China, a close ally of Pakistan, he said, always aimed at maintaining peace and stability in the region, the official Xinhua news agency reported.

The Chinese Vice-Premier, Qian Qichen, told Mr. Haq on Friday that Beijing stood for reconciliation between India and Pakistan and would contribute to peace and stability in South Asia. The risk of conflict still remained in spite of recent signs of easing of Indo-Pak tensions, he added. China had urged the international community to handle the India-Pakistan issue with a more "balanced attitude", Mr. Qian said. — PTI

THE HINDU

India, China begin talks on Western sector

By C. Raja Mohan

NEW DELHI, JUNE 17. India and China began talks on the clarification of the Line of Actual Control (LAC) in the Western sector of their long and contested boundary, informed sources here say.

Reflecting the positive momentum in the talks between the two countries to delineate the LAC, Indian and Chinese officials have apparently initiated the process of exchanging maps on the Western Sector in Beijing today.

India and China had already completed the exchange of maps on the Middle Sector a few months ago. The increased frequency of the meetings of the

so-called Expert Group (EG) reflects the recent political understanding between the two sides to step up the pace of negotiations on delineating the LAC.

During the visit of the External Affairs Minister, Jaswant Singh, to China at the end of March, it was agreed that the EG would take up the Western Sector for clarification.

The two sides apparently hope to complete the talks on the Western Sector by the end of the year and move on to the more difficult Eastern Sector of their boundary next year.

The EG operates under the Joint Working Group headed by the Indian Foreign Secretary and a Chinese Vice-Minister of Foreign Affairs. The JWG set up

during the visit of the then Prime Minister, Rajiv Gandhi, to China in 1988 meets annually.

The clarification of the LAC would allow both sides to implement a number of military confidence-building measures that will promote peace and tranquility on their disputed frontier.

The current efforts to delineate the LAC are without prejudice to the political positions of the two sides on the boundary dispute.

But, analysts here say the very process of clarification and confirmation of the LAC could create the political confidence to settle the vexed boundary dispute that has hobbled Sino-Indian relations for so long.

THE HINDU

18 JUN 2002

Neutral Beijing hope for Delhi

FROM PRANAY SHARMA

New Delhi, June 2: India is trying to ensure that China, a close ally of Pakistan, remains neutral if war breaks out in South Asia.

Delhi is aware that it may be forced to exercise the military option if the international pressure on Pervez Musharraf does not stop cross-border terrorism. And, if that happens, it does not want Beijing to come to Islamabad's rescue.

In this context, the forthcoming meeting between Prime Minister Atal Bihari Vajpayee and Chinese President Jiang Zemin on the sidelines of the Cica Summit in Almaty, most likely on May 4, gathers significance.

Officially, China has also come out against terrorism. But it does not want a war in South Asia. The Chinese leadership has made it clear that while it condemns terrorism, the fight against the menace should not be used as an excuse for war.

More interesting was a recent editorial in the official mouthpiece, *People's Daily*, which stressed that while cross-border terrorism was an irritant in India-Pakistan relations, Kashmir remained the core dispute.

China sees the mounting international pressure on Pakistan as an attempt by the US and its western allies to "gang up" against Musharraf. Chinese foreign minister Tang Jianxuan, in

a recent telephone conversation with US secretary of state Colin Powell, articulated this sentiment when he said the international community should be seen as "balanced and fair" in its approach to resolve the crisis.

At the same time, China does not want to be left out of the international effort against terrorism. That it is facing a separatist movement from the Aigurs in Shinkiang has also forced the leadership to publicly condemn the scourge.

Beijing fears that a war in the subcontinent could lead to a nuclear conflict where Delhi, if struck by Islamabad, may retaliate in a way that could wipe Pakistan off the global map.

Over the past few years, China has tried to remain neutral in India-Pakistan disputes. This was evident during the Kargil conflict. Despite repeated attempts by Pakistan to get China to rally behind it, Beijing maintained a safe distance. Instead, it tried to find a way out of the impasse.

China's relation with India has also improved since. A number of high-level visits have taken place between the two sides, including one by President K.R. Narayanan and a trip to India by Chinese Prime Minister Zhou Rongji.

The two sides are now making an effort to broadbase their relationship, particularly in economy.

THE TELEGRAPH

03 JUN 2002

Boundary problems among contiguous nations can be solved by the principle of give and take. - Chinese President Jiang Zemin after signing the historic Four Plus One Boundary Accord between Russia, Kazakhstan, Kyrgyzstan, and Tajikistan (Four), and China (one).

Foreign Minister Jaswant Singh's recent trip to China is well founded. His strongest characteristic is his ability to interact with people - he has firmly established a personal rapport with his Chinese counterpart Tang Jiaxuan, over the years. Hopefully, these two stalwarts will evolve a border matrix in consonance with the Chinese President's precepts on the subject.

On its part, India has had two visits within a short span by China's top-level functionaries namely, Politburo leader Li Peng in late 2001 and Prime Minister Zhu Rongji in early 2002. While both visits gave an impetus to improving *inter se* relations - as would surely accrue from Mr Singh's sojourn - covering the gamut of trade and business, security, culture, technology *et al*, a prime dissonant to wit the border issue, has not made much headway.

True, maps of the central sector had been exchanged some time back and the other two sectors, the western and the eastern, are also under "active consideration"; forty years downtime after the 1962 conflict have not really produced the desired outcome for both parties. A fresh and, more importantly, pragmatic outlook is called for, especially on India's side.

A brief recount of factuals affecting the 3,250-km Line of Actual Control would be in order. Frankly, it is the western sector that holds the key to the issue. The 1962 war was precipitated by China's actions in this very sector, culminating in China seizing about 34,000 sqkm of Indian territory in Aksai Chin through which an all weather highway was constructed linking western Tibet with southern Xinjiang. It would be unreal for us to expect China to give this up.

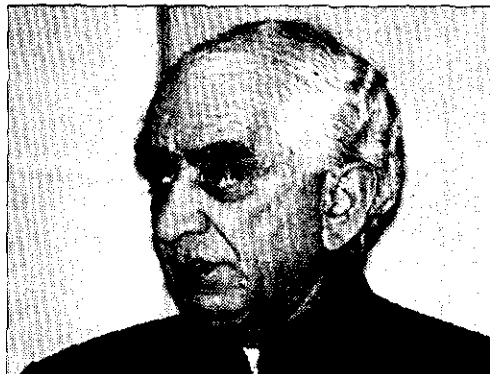
The central sector has additional political hiccups in that unless the LAC's layout is settled, India's five-and-a-half-decade-old contention with Nepal over an area called Kalapani cannot be resolved. The Sino-Indian boundary hitch relates to the Barahoti locality in the India-Tibet-Nepal confluence, with Kalapani being an adjunct to this confluence. Hence, India's twin conflict spots in this sector, Barahoti and Kalapani, are complementary. This becomes all the more sensitive because Kalapani lies on the pilgrim

route from India to Mansarovar Lake and Mount Kailash, both being inside Tibet.

The eastern sector has its politico-military compunctions much to our Eastern

Brass tacks of China-India border tussle

Applying Chanakya's tenet that a nation's territorial outline... is never sacrosanct; it has to change with developing political frames and their commitments, JK DUTT explains that if differences over the LAC are settled, the Himalayan frontier will stabilise and India will be in a position to extract an offshoot from the oil pipeline complex that China has planned to lay ex-Central Asia through Tibet



Chinese Foreign Minister Tang Jiaxuan and his Indian counterpart Jaswant Singh: Rapport must translate into progress on the ground.

Command's bane, since it is in the vicinity of the India-China-Myanmar Trijunction, with the Diphuk Pass as its sole gateway, an artifice that is viewed by all three countries with determination.

China contests the ownership of the northern ridges of the Mishmi Hills in Arunachal Pradesh, targeting the Sumdurong Chu as the main bone of contention. New Delhi's sensitivity in this area not only enjoins Beijing but Yangon too. China's positing in the eastern sector is tacitly supported by Myanmar for its own convenience.

How is India to manage the LAC problem without disbalancing its equations with three neighbours? We need to fall back on Chanakya's immensely sensible tenet, "A nation's territorial outline as obtaining of date is never sacrosanct; it has to change in keeping with developing political frames and their commitments." India provides the best exemplification of this tenet: from one "wholesome" country for 200-odd years

under the British, it split into three after Independence.

The erstwhile Soviet Union is another shining case study of mobile borders. In sum, we have to convince our policy that national boundaries are never inviolate.

Applying this theorem dispassionately, India should first secure a broad geo-strategic understanding with China using the operating line, we would cede the area under Chinese occupation in the western sector if as a *quid pro quo*, China disengages from the other two sectors. There is empirical evidence that China has not been averse to such realpolitik as an instrument for border settlement with its conterminants.

We should accordingly redraw our western sector boundary with China along the general line south of the Karakoram Pass to the Chip Chap river valley, then on to Chushul and Spanggur Lake to end up at Demchok. This alignment should become the formal Sino-Indian boundary in the west.

It should pose no acceptability hang-ups to

either China or Pakistan. Chin is nothing but an ice and has no geographical, economic or military value, just like Si Demitting this region to should cause no heartburn to we only lose some ego! In any there is precious little we can retake Aksai Chin other making the usual pretentious bank noises during elections. 1950 Indo-Nepal Friendship Treaty's most thorny concern Kalapani as it is a estate dispute between the covering about 19,000 hect. Indian security forces are depl here much against Nepal's (as as India's) will, more as a mispl intent to checkmate the pow Chinese military garrison centre Taklakot just across the border.

This garrison's task among oth is to safeguard China's interest Barahoti. In no way can New D resolve Kalapani bilaterally v Kathmandu unless Barahoti assuaged first.

Truth to tell, China's attitude Barahoti is comparable with : proverbial "dog in the mang stance! However, Beijing fu appreciates Kathmandu's predicament and could be willing to adj to favour an important buffer st ally if approached intelligently. Inc should consider a joint venture sa along with Nepal to address China

Such a move could fet unexpected gains. The complexiti of the eastern sector suggest that would be prudent for us to bifurca Arunachal Pradesh into two state It is impossible for Itanagar t maintain an effective watchin survey on the vital Trijunction pl its prolonged borderline fro Bhutan to Myanmar.

A new state formed from th eastern segment with Tezu as it capital would be of great help in th context. While we negotiate with China fo the latter to revert beyond the Himalaya range here as a fallout from our concession in the west, we must reclaim the villages o Molcham and Tuivang which lie on th Manipur-Myanmar boundary and ar currently under Yangon's yoke. Else, a wron message will percolate about our effe border management.

Lastly, a two-fold advantage can b realised if we settle with China over the LAC First, the whole Himalayan frontier wi stabilise and second, we will be in favourable position to extract an offsho from the oil pipeline complex that China h planned to lay ex-Central Asia through Tib to its mainland. This offshoot can be rou via Aksai Chin to Leh and beyond. The ne of the hour for New Delhi is to exercise th highest degree of statecraft in resolving border groundplan with Beijing.

(The author is a retired Lieutenant-Colonel Indian Army.)

5/5 ✓
wide angle

SALMAN HAIDAR 9/4

Much to learn from each other

External Affairs Minister Jaswant Singh has just been in Beijing for another round of high level Sino-Indian talks. Not so long ago, Chinese Premier Zhu Rongji was in New Delhi, and there were several other earlier exchanges.

This chain of consultations has its own value and there is every reason to sustain it, though each such occasion is a reminder of stagnation in the essentials. Sino-Indian relations have settled into a pattern: there are regular meetings, many signs of goodwill and some semblance of progress, but nothing tangible on the important issues that keep the two countries apart.

The latest occasion was no different in this respect. This time there was some emphasis on economic exchanges, which are inching along. More interesting was something that could signal a step forward in the long-running border talks: teams from the two sides are to look at the demarcation of the Line of Actual Control in the Northern sector.

The idea is to have an exchange of maps giving their respective notions about where this line – not to be confused with the Sino-Indian border itself – actually lies. Harmonisation of their perceptions will lead to an agreed LAC, relative to which the reductions in force deployments, to which both are committed, can take place.

Till now, this exercise has been attempted only in the Central sector of the Sino-Indian border, shorter and less beset with problems than the others. If the Northern sector is now to come under scrutiny, the implication could be that the LAC in the Central sector has been agreed upon.

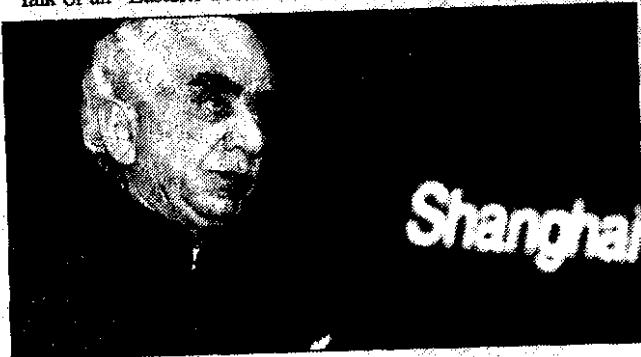
One can hope this is so, though there is no clear indication to this effect. It has taken upward of five years to reach where we are, so it has been very slow going. There seems little urgency in implementing the agreements of 1993 and 1996 that provide for negotiated force reductions along the border and can benefit both parties equally.

We seem to have got used to the present situation, and inertia acts against any serious initiative to get things moving. Behind this slow crawl onward lies an abiding sense of divergence of interest, even of rivalry. This may weigh heavier in New Delhi than in Beijing, but it affects both. For China, the presence of the Dalai Lama on Indian soil, from where he obtains worldwide attention for his cause, is a long-standing grievance.

The nuclear issue between the two countries is a problem that remains unattended. The fact that China is chief armorer to Pakistan cannot but be a source of unease to India. Thus there are sticky issues between the two countries and we still have some way to go before relations can be developed in the way our interests seem to demand. The sequence of high-level meetings and talks does not seem to have made a great impression on these matters.

The Beijing visit has directed attention towards a Mekong basin initiative thought up by India which aims at inducing enhanced cooperation among many of the smaller South East Asian neighbours of China, in a grouping from which the main actor, China, is absent.

Talk of an "Eastern Great Game" has been heard, hinting at some



Jaswant Singh addresses a speech entitled "Challenges to Peace Today" at Shanghai Institute for International Studies in Shanghai on 1 April.
— AFP

grand strategic vision driving Indian policy. Such notions are unwise and should be firmly scotched.

India and China should seek ways of enhancing cooperation and to work together in South East Asia to the extent that circumstances permit, rather than work against each other. For a start, they can combine in enlarging trade and transit links, especially through Myanmar, which offer substantial possibilities to remote and poorly developed parts of both countries.

The more compelling challenge that both countries face, something more immediate than notions of strategic competition between them, is that of internal reform. Without some basic changes in how they conduct their affairs, neither may be able to sustain its momentum of growth. They bring different assets to the task: India has a well established governmental structure but a less dynamic reform process; China has been longer at economic reform and has done much more, but its political and institutional structures are less firmly rooted.

Moreover, these structures are yet to face important tests that lie not far ahead, including, critically, a reduction in the leadership role of the Communist Party and the induction of new political formations in the governance of the country. The fruits of China's reforms are plain to see, especially in the vast infrastructure projects that have Indian visitors gasping with astonishment.

China also has a better record in the social sectors of development, having been more successful in spreading literacy, reducing poverty and improving health. Higher domestic savings have helped make it wealthier than India, and it has a much bigger share of international trade. On its part, India also has much to show in its favour, and its democratic tradition may have equipped it better for the challenge of the future. For all that, there is comparability in the tough restructuring issues that each country has to face.

Public sector reform is high on the list, large fiscal deficits are equally threatening to both, and each has to do something about its faltering banking sector. These are only some of the many problems before them. India and China have much to do, and much to learn from each other's experience. A more purposeful dialogue on these basic matters is required: it will be helpful to both.

(The author is a former Foreign Secretary.)

Bhai-Bhai Once More

The positive outcome of Jaswant Singh's visit to China was predictable given the developments in international politics since 9/11. Till now India-China relations have been bedevilled by a number of factors: The enormous Chinese stakes in Pakistan, leading to the export of Chinese nuclear and missile assistance to that country, China's condescension towards a non-nuclear and non-missile India and the usual Indian inability to pursue a vigorous and sustained foreign policy in respect of any country — perhaps other than the US in the last four years. The establishment of American military presence in Pakistan and the US' determined bid to take charge of Pakistan's progress towards moderate Islamic state have generated a sense of pragmatic realism in China. India's nuclearisation has also led to the Chinese developing an image of India as a country with willpower, which China never ascribed to us before. The improvement in US-India relations is yet another factor and so also the reasonably high economic growth rate with prospects of higher ones. The Chinese have been advocating a multipolar world against the US dominated unipolar system. But they had been reluctant to accept India, at least till recently, as anything more than a major regional player. That may change depending on the role India acquires in the emerging Eurasian balance of power comprising the European Union, China, Russia and Japan.

The development of normal relations between China and India has been complicated apart from the Pakistani factor by the still lingering larger than life image of China as a result of the 1967 debacle. While China is bound to make rapid strides economically, it can never emerge as a challenger to the US for decades to come, and cannot substitute for the Soviet Union in a bipolar world. Militarily China is no longer a threat and, therefore, there should be no sense of fear of China in India's relationship with Beijing. In the coming months, China will be undergoing a major transition. Not only has it to adjust itself to its admission to the World Trade Organisation, and its consequent economic and social impacts, but also to political transition at home when this generation of leaders will hand over their responsibilities to the next generation in an orderly and well planned manner in the next few months. The new crop of leaders would have had only a limited exposure to the Maoist ideological extremism. To the contrary, they will have been conditioned for well over 25 years in Deng Xiao Peng's pragmatism and policy of integrating China into the global economy. The emerging leadership is aware that the transition of China from its political centralism towards increasing democratisation is an inevitable unidirectional phenomenon in the unfolding information age in which China wants to play its due role. This impending change in relationship with China calls for much closer interaction between Delhi and Beijing. Nothing improves relationships between two neighbours more than rapidly expanding trade. The fear of Chinese cheap consumer goods flooding the Indian market has not been borne out by statistics and is perhaps one more aspect of the Indian fear of the Chinese being ten feet tall. The time has come to shed the past accumulated baggage of fears and prejudices about China and develop a foreign policy based on large mutuality of economic interests making use of particular strengths and weaknesses of two growing economies.

Indo China

Border dispute with China can be resolved: Jaswant

HD-11

2/4

By C. Raja Mohan

SHANGHAI, APRIL 1. Persisting with his vision of a rosy future that beckons India and China, the External Affairs Minister, Jaswant Singh, declared today that it should be possible for the two Asian giants to resolve their boundary dispute and even consider the prospects for military cooperation.

In an interaction with the Chinese academic community at the Shanghai Institute for International Studies, Mr. Singh said the only possible future for Sino-Indian relations was a positive one. "I cannot see any reason which can support a relationship other than a positive one," he emphasised.

At his only public engagement during his four-day visit to China, Mr. Singh stayed with the upbeat assessment of his talks with the Chinese leaders in Beijing last week. Arguing that

"it is not necessary for the two countries to agree on everything," Mr. Singh said the two sides "should not let their difference define the relationship."

Asked by a Chinese scholar whether it was possible to resolve the boundary dispute that had hobbled the bilateral ties for so long, Mr. Singh said, "it can and must be resolved. The shadows of the past should not be allowed to affect the future" of bilateral relations, he said. It would be "a crime against our people and humanity if we allowed it to happen." He added that both the Governments were addressing the issues relating to the boundary in a "purposeful manner and will continue to do so in the future."

Questioned on the prospects of a defence relationship between the two countries, Mr. Singh said, "of course, we can have a defence relationship," and added that the two sides

must develop trust through openness and engagement. China, meanwhile, has already indicated that an invitation is on its way to the Defence Minister, George Fernandes, to visit China.

If laying the foundation for a future Sino-Indian relationship that is very different from the one in the past was the main theme of Mr. Singh's visit, he did not fudge on India's political support to the controversial American plans to build missile defences in violation of the current arms control treaties.

The profound anxieties in China about India's enthusiasm for the U.S. missile defence project inevitably surfaced in the question and answer session that followed Mr. Singh's address. Explaining India's stand, he said missile defence was only one element of the new strategic framework unveiled by the Bush administration and that

India's support to it was based on the assessment that it could lead to "deep reductions" in nuclear weapons, an objective for which India has campaigned for so long. He was equally firm in his remarks on the blossoming partnership between India and the U.S. that has begun to raise some concerns in China. "Indo-U.S. ties should not be seen from the angle of any other relationship," Mr. Singh said, adding that they, just as Sino-Indian ties, "stand on their own merit."

Mr. Singh's speech on the new challenges to international security from terrorism drew a question on whether India and Pakistan could cooperate in countering the threat. Mr. Singh said New Delhi and Islamabad could join hands if Pakistan "abandons its support to cross-border terrorism as a strategic choice and not as a tactical move."

2 APR 2002

THE HINDU

MONDAY, APRIL 1, 2002

UPBEAT MOOD IN SINO-INDIAN TIES

THE DIPLOMATIC HYPE over the inauguration of a direct air service between New Delhi and Beijing at this time seems to have generated a sense of unusual optimism in both capitals. In fact, the shared mood is one of visualising the possibility of a take-off in bilateral friendship at some point in the future. Welcoming the External Affairs Minister, Jaswant Singh, who reached Beijing by the inaugural flight, China's Vice-Premier, Qian Qichen, has given eloquent expression to this new upbeat spirit. Mr. Qian is of the view that "it is impossible for China and India to be in conflict in any situation" in spite of the undeniable differences between the two countries. A Chinese version of their talks is quite revealing. Mr. Qian, cognisant of the recent Indian assertions against seeing China as a security threat to New Delhi's interests, has assured Mr. Singh that Beijing itself has never seen India as a menace. In a sense, the notion of a threat dominated public diplomacy on the bilateral front shortly after India tested nuclear weapons in 1998. Beijing made no secret of its displeasure over the reported comments then by the Defence Minister, George Fernandes, about the looming China factor in India's strategic calculus. Given that the Prime Minister, Atal Behari Vajpayee, too was reported to have referred to China in a communication to the U.S. on India's decision in 1998 to opt for nuclear-armament testing, Beijing appeared to reassess its relationship with New Delhi. With China now deciding to invite Mr. Fernandes for discussions and also drawing up plans for a goodwill visit to Beijing by Mr. Vajpayee at some point this year, the signals of friendship cannot be more positive.

Several factors account for this dramatic transformation in stylised public diplomacy since 1998. If an upward trajectory of mutual benefit is now projected as being within the grasp of the two countries, the story has indeed much to do with the diplomatic momentum

generated since Mr. Singh's visit to Beijing in 1999. There can be no comparison with the way Rajiv Gandhi had tried to rekindle the spirit of Sino-Indian ties a decade earlier. Now, Pakistan, a long-time ally of China on its strategic frontlines, might remain a key factor in the changing dynamics of the Sino-Indian relationship, although Islamabad's weightage in this connection may vary over time. Of greater relevance, therefore, to the China-India equation is the need felt by both sides for a certain comfort level in their interactions as they seek independent roles to reshape the present world order of unprecedented chaos.

Beijing's checklist of "broad common interests" with reference to India has been spelt out by China's Foreign Minister, Tang Jiaxuan, during his latest conversation with Mr. Singh. The view from Beijing is that India and China could work together to fashion a multi-polar international political order and protect the interests of the developing countries. The Chinese Prime Minister, Zhu Rongji, whose visit to India two months ago had raised visions of a realistic engagement between the two countries, has now harped on the economic dimension of bilateral ties. As a new entrant to the World Trade Organisation, China wants to underpin its ties with India on the basis of shared status as the two largest developing economies. It is in this overall context that Mr. Singh's euphoric references to the new strategic understanding with China has to be pragmatically evaluated. It is certainly a welcome sign of responsible diplomacy that India and China have at this point agreed to quicken the delineation and clarification of the Line of Actual Control pending a final settlement of the border dispute. An equally wholesome decision is to begin discussions on counter-terrorism in the international and regional settings. However, this does not translate into a symphony of strategic sentiments.

1 APR 2002

THE HINDU

India, China plan to boost economic ties

By C. Raja Mohan

BEIJING, MARCH 30. The External Affairs Minister, Jaswant Singh, concluded his consultations with the Chinese leadership here today amid the palpable optimism that Sino-Indian relations are poised for a take-off.

The substantive decisions taken during Mr. Singh's visit on accelerating the process of demarcation of the Line of Actual Control (LAC), the initiation of the first-ever bilateral dialogue on combating terrorism and a political determination to intensify economic cooperation have raised hopes that Sino-Indian relations are ready to catch a new wind.

Briefing reporters after his call on the Chinese Premier, Zhu Rongji, today, Mr. Singh said the framework for a comprehensive dialogue on all issues of mutual concern put in place during his visit could lead to a qualitative transformation of the bilateral relationship.

The extraordinary dynamism of New Delhi's diplomacy towards major powers since the nuclear tests of 1998 appears to have finally infected the Sino-Indian relationship that had been a political wasteland for much of the last five decades.

Summing up the significance of a number of decisions taken during his talks with the Chinese leadership, Mr. Singh said the only other countries with which India had such a broad-based dialogue architecture are the United States and Russia.

Mr. Singh's talks with Mr. Zhu in Taiyuan, capital of the Shanxi province in Western China, focussed on the need to "aggressively pursue" the full potential of bilateral economic relations. The Joint Economic



The Chinese Premier, Zhu Rongji, talking to the visiting External Affairs Minister, Jaswant Singh, in Taiyuan, capital of north China's Shanxi Province, on Saturday. — AP

Group, already in existence for years, will be activated to achieve this objective.

The two sides hope that by the time the Prime Minister, Atal Behari Vajpayee, travels to Beijing at the end of the year, there will be tangible advancement on the economic front.

The decision to initiate cooperation on counter-terrorism reflects the changed international context that is nudging India and China to move forward in areas they never engaged each other earlier.

Although New Delhi and Beijing cooperate with other powers on counter-terrorism, there were inhibitions in the past on security cooperation between the two countries. Those political inhibitions now appear to have been overcome.

Equally important has been the decision during Mr. Singh's trip to put a time-frame on exchanging maps on the Western and Eastern sectors of their disputed border.

This exchange is part of the effort to demarcate the LAC that separates the two nations on

their long Himalayan boundary. The two sides have already completed the exchange of maps on the middle sector.

An early clarification of the LAC would make it easier for both countries to maintain peace and tranquillity on their border. It also eases India's burden in managing the two-front security threat it had to confront all these decades.

India's success in a pragmatic management of the complex border dispute with China is also likely to point to a potential way out of the historic stalemate between New Delhi and Islamabad on Jammu and Kashmir.

More fundamentally, the decisions taken during Mr. Singh's visit to Beijing reflect a new purposefulness that has begun to animate Sino-Indian ties.

The positive personal chemistry that has marked Mr. Singh's talks with the Chinese leaders appears to have reinforced the new spirit of problem solving in Sino-Indian relations.

31 MAR 2002

31 MAR 2002

India, China map out steps to resolve border dispute

By Manoj Joshi
Times News Network

BEIJING: India and China have decided to exchange maps later this year on the contentious western sector of their disputed boundary.

Following day-long meetings with senior Chinese ministers, external affairs minister Jaswant Singh told mediapersons that the two sides now had a time-table to complete the first stage of their efforts to resolve the issue that had bedevilled relations between the two Asian neighbours.

At this stage, the two sides will clarify and confirm the delin-



Jaswant Singh Zhu Rongji

ation of the Line of Control that currently marks the 4,056-km border.

That this is not just hype created by the visit of Mr Singh is apparent from the remarks made by Chinese vice-foreign minister Wang Yi to a visiting Indian goodwill delegation. Using identical language, Mr Wang said the two sides would now accelerate the pace of their efforts to clarify and confirm the Line of Actual Control (LAC) that currently forms their disputed border. He said substantive negotiations could take place in the spirit of mutual accommodation, understanding and adjustment.

Mr Singh said the two sides had identified the areas of dispute in the central sector and there were expectations that the maps of the eastern sector could be exchanged early next year.

While the Sino-Indian border has been quiet in recent years, both sides recognise the fact that there are enough differences in interpretation—to create potentially difficult problems—as to where the border lies. The main problem is that neither side accepts the other's version as to where the LAC actually lies.

In 1993, in an effort to rectify this and demilitarise the LAC, India and China had signed a historic agreement, which was further clarified by another treaty in 1996. The first item on the agenda was to put in place a mutually accepted LAC.

Mr Singh also called on Chinese Prime Minister Zhu Rongji in the western Chinese city of Taiyuan. Later, speaking to mediapersons, he said a wide range of subjects figured in the discussions, especially economic relations between the two countries.

Mr Zhu said both of them felt that determined action was needed to put Sino-Indian trade relations on the fast track. Mr Singh said some of these would be visible by the time Prime Minister Atal Behari Vajpayee visited China later this year.

THE TIMES OF INDIA

3 MAR 2002

3 MAR 2002

India, China signal Panchsheel comeback

Press Trust of India

BEIJING, March 29. — Carrying forward the new momentum in their relations, India and China today agreed to further strengthen cooperation and friendship on the basis of the five principles of peaceful co-existence while respecting each other's sensitivities.

External affairs minister Mr Jaswant Singh held wide-ranging discussions here with his Chinese counterpart Mr Tang Jiaxuan on the entire gamut of bilateral ties.

Mr Singh said it was a great honour for him to be in this historic city on the inauguration of the direct air-service between the two countries. "I bring to our great neighbours the greetings and best wishes of all Indians," he said.

Mr Tang said direct air-link between India and China will not only further increase personal exchanges but also enhance mutual cooperation. "More importantly, the direct air link will greatly shorten the distance between our countries in the political sense," he said.

The two countries also decided on a series of high-level exchanges over the next six months, including the first ever dialogue on terrorism. Mr Singh announced the first meeting of the annual bilateral dialogue mechanism on "counter-terrorism" will be held in New Delhi on 23 April.

Mr Singh, in China on a five-day visit, said: "As our two countries travel on the road of devel-

opment of 2.5 billion people ... we owe it to our own people (and) to all humanity to extend our friendship and cooperation on the basis of Panchsheel...."

The minister's visit is seen as part of intensified efforts by the two countries to provide a fresh impetus to bilateral cooperation.

The external affairs minister called on Vice-Premier Mr Qian Qichen at the Zhongnabaoi Palace, seat of China's leadership. Calling the air-link a "major step", Mr Qian said "China and India should make up for each other's deficiencies" and further strengthen cooperation. He hoped Mr Singh's visit would "open a new chapter" of warm and friendly ties between the two countries.

Mr Singh later had a meeting with Mr Dai Bingguo, minister of the international liaison department of the Communist Party.

Significance is being attached to the minister's visit, which reciprocates that of Premier Mr Zhu Rongji to India in January. On that occasion, the two sides had agreed on a bilateral mechanism on counter-terrorism dialogue for the first time.

The two nations are expected to finalise details of this mechanism to ensure the first round of structured dialogue at the earliest.

Mr Singh meets the Premier tomorrow, after which he will proceed to Shanghai on Sunday to address the Shanghai Institute of International Studies.

LAC on pact map

BEIJING, March 29. — India and China today agreed on a timeframe for clarification of the Line of Actual Control that divides the two countries.

The two sides agreed to exchange sample maps of the Western sector at the next meeting of the Experts Group on the boundary issue and complete the process by the end of the year. The two sides would begin the process of exchanging maps on the LAC in the eastern sector early next year. Mr Jaswant Singh said India and China have already completed the confirmation and clarification of the middle sector of the LAC.

Vajpayee visit: Mr Singh today said Mr Vajpayee would visit China later this year. The Chinese government also welcomed a proposal for a visit by Mr George Fernandes at a mutually convenient date, he said.

The foreign minister said his talks with Mr Tang and other leaders were "productive and comprehensive", and the "substantial decisions" imparting dynamism to Sino-Indian relations were "significant" to both nations. — PTI

THE STATESMAN

30 MAR 2002

AN ACHIEVEMENT, SAYS JASWANT SINGH

India, China to quicken pace of LAC delineation

By C. Raja Mohan

BEIJING, MARCH 29. In a major step towards an eventual resolution of the vexatious boundary dispute, India and China today agreed to complete the delineation of the Line of Actual Control (LAC) on their contested border within a reasonable timeframe.

After a round of intensive consultations with the Chinese leadership here today, the External Affairs Minister, Jaswant Singh, declared that the accelerated schedule for the clarification of the Line of Actual Control is "something India has not been able to achieve in the last fifty years."

Expressing satisfaction at the successful conclusion of the exchange of maps on the middle sector of the border earlier this month, Mr. Singh today announced that the two sides would begin exchange of maps on the Western sector in June with a view to concluding the process by the end of this year. India and China also agreed to take up the clarification of the LAC in the Eastern Sector early next year.

India and China will have a clear sense of the LAC alignment and an identification of where the differences remain. According to Mr. Singh after exchanging all the maps, there will be "very little scope left for confusion" of any kind in keeping the Sino-Indian border peaceful.

Far more important, Mr. Singh claimed that the quickened pace of delineating the LAC would provide the "answers to the need of both coun-



The External Affairs Minister, Jaswant Singh, being greeted by the Chinese Vice-Premier, Qian Qichen, in Beijing on Friday. — AP

tries" in arriving at a mutually acceptable settlement of the boundary dispute.

Mr. Singh said the clarification of the LAC and substantive discussions on the boundary dispute need not necessarily be "sequential" but the former could open the doors for a resolution of the latter issue.

Mr. Singh's upbeat remarks on this talks with the Chinese leadership on the clarification of the LAC do suggest that the

two sides might have begun to veer around some creative ideas which could end the extended stalemate on the boundary dispute.

Mr. Singh conferred with the Chinese Vice Premier, Qian Qichen, who looks after the foreign policy issues within the Politburo of the Communist Party of China, the Foreign Minister, Tang Jiaxian, and the head of the International Liaison Department of the CPC, Dai

Bingguo. Describing the talks to be "very productive and comprehensive", Mr. Singh said the two sides have come to some "substantive decisions". Addressing reporters here, Mr. Singh claimed that the "efforts of the last four years" to put the Sino-Indian relations has begun to succeed.

Besides the apparent movement on the boundary issue, Mr. Singh announced a number of other decisions taken by the two sides today. These include the first ever official level talks between India and China to find ways to cooperate against terrorism to be held next month.

The two sides, according to Mr. Singh, also agreed to schedule the visit of the Prime Minister, Atal Behari Vajpayee, to China by the end of the year. In an interesting move, Beijing has also decided to invite the Defence Minister, George Fernandes, to China.

After his outburst against China in 1998, Mr. Fernandes has been seen in Beijing as the leading proponent of the "China threat" in India. An invitation to him from Beijing points to a new chapter in Sino-Indian relations.

PTI reports:

Mr. Singh will have a meeting with the Chinese Premier tomorrow and on Sunday travel to the booming East China metropolis, Shanghai, where he will meet the Mayor and address the Shanghai Institute of International Studies.

Mr. Singh last visited China in June, 1999 at a time when bilateral ties were under strain in the wake of the Pokhran nuclear tests in May, 1998.

THE HINDU

30 MAR 2002

Smooth landing for China Eastern

By C. Raja Mohan

BEIJING, MARCH 29. The historic direct flight of China Eastern Airlines from New Delhi had a perfect touchdown in a foggy morning here in the Chinese capital. Stepping out of the aircraft, the External Affairs Minister, Jaswant Singh, found the right words to convey the greetings from all Indians to "the friendly people" of China.

More than 50 years ago, at one of their earliest meetings, premiers Zhou Enlai and Jawaharlal Nehru discussed the prospect of establishing direct air links between the two countries. The two nations have had to wait through five wasted decades of bilateral relations to establish something as simple as direct air links. Better late than never!

In five and a half hours of the journey between New Delhi and Beijing, which until recently took almost a whole day, the Airbus A 340 of China Eastern travelled East to Bangladesh and Myanmar and swung up north towards Beijing. The biweekly flights of China Eastern will connect both the political and commercial capitals of China — Beijing and Shanghai — to New Delhi.

If in the past political considerations came in the way of direct air links between the two countries, there are lingering doubts now about the commercial viability of a direct air corridor between India and China. But optimists are hopeful and come

up with the counter argument, people will not use something until it exists.

One way of boosting air traffic between the two countries is for China to declare India as a preferred destination for Chinese tourists whose ranks are swelling every year as the level of prosperity in the nations grows by leaps and bounds.

If Beijing makes the necessary modification of its regulations on foreign travel, it will make it easier for tour operators in China to bring in large number of air travellers to India. All indications here are that there

CHINA JOURNAL

is considerable interest in seeing the many attractions of India from Buddhist sites to Bollywood and indeed the Taj Mahal.

Meanwhile, the Indian upper middle class has become an important source of international tourist traffic. Once they discover the new ease of travel to China and the pleasures of cheap accommodation and shopping in Beijing and Shanghai, Indian tourists themselves might begin to make a beeline to a nation that has remained remote despite such close physical proximity.

China Eastern could also hope to attract the non-resident Indian community on the West Coast of the United States and Canada to travel to go home via China, and may be spend a few days and some greenbacks in

seeing China. All to the good.

Aboard the China Eastern flight the air-hostesses and stewards are young, smartly turned out and hope to win Indian hearts with their service-orientation. But it will be a while before they improve the level of English and the peculiar demands of the Indian clientele — premium whisky at night and a cup of Indian style tea or coffee with milk in the morning.

The Chinese communist leaders know how to live in style — in the ancient imperial capital "Zhongnanhai". Chairman Mao was in no hurry to move into the luxurious quarters of Zhongnanhai after the communist revolution in 1949. "Let's not rush things. We don't want to end up like Li Zicheng". Mao's reference was to a man who led a peasant rebellion and toppled the Ming dynasty in 1644 AD.

Since then the leadership has settled in for a long haul at Zhongnanhai, which is all power and glory. Few ordinary Chinese will ever make it inside. For the Chinese bureaucrats, intellectuals and advisers on the make, "to be called to Zhongnanhai" is a reward in itself. Zhongnanhai can be translated as "Central and Southern Seas", probably in a reference to the complex of lakes that dot the compound. It is also known as "Sea Palaces". And for outsiders, it is just "China's Kremlin".

THE HINDU

3

China upbeat on ties with India

BEIJING, MARCH 28. China today said it wanted 'stable' relations with India and hoped that the beginning of direct flights between Beijing and New Delhi would act as a bond between the peoples of the two neighbours.

Ind china
"The Chinese Government attaches great importance to the long-term, stable friendly relations and good-neighbourly cooperation with India," the Chinese Foreign Ministry spokeswoman, Zhang Qiyue, told reporters. Commenting on the External Affairs Minister, Jaswant Singh's five-day visit starting tomorrow, Ms. Zhang said it would be of "great importance in promoting friendly cooperation, exchanges of high-level visits and promoting the mutually beneficial cooperation".

"We believe that this visit will yield positive results and play a constructive role in promoting the friendly exchanges and cooperation."

Apart from talks with the Chinese Foreign Minister, Tang Jiaxuan, Mr. Singh would call on the Chinese Premier, Mr. Zhu Rongji, and the Vice-Premier, Qian Qichen. Mr. Singh would also meet with the Minister in the International Department of the ruling Communist Party of China, Dai Bingguo. — PTI

THE HINDU

29 MAR 2002

HD-10
22/3

India-China ties

By V.P. Dutt

The steady improvement of India-China ties has been noted since Rajiv Gandhi's visit in December, 1989. But there may be a window of opportunity now for a qualitative change in this relationship. Many analysts have spoken of the transformation of the international situation and its possible impact on Chinese foreign policy and on India-China ties; but very few have noted the impact of domestic developments on this relationship. The domestic pressures pushing India towards a thaw with China are well known. Less well known are the domestic compulsions China has for a similar improvement of relations with India. The internal scene in China is almost as influential in shaping its foreign responses as the fast-changing international scene. Undoubtedly, China has many remarkable achievements in economic development, but equally it faces grave socio-economic problems that place serious constraints on foreign policy.

The Chinese economy has been generally described as one of the fastest growing in the world. Gross Domestic Product (GDP) rose, according to official figures, from \$903.4 billions in 1997 to \$1.19 trillion in 2001. Accordingly to official statistics, China's growth rate has been in the range of 8.8 per cent in 1997 to 7.3 per cent in 2001. However, reputed economists across the world who believe that some 2-3 per cent should be deducted from these official figures. An official report has acknowledged that just during May and October last year there were 60,000 violations of the laws concerning the collection of statistics. Nevertheless, the growth rate is impressive.

Foreign trade has jumped from \$325 billions in 1997 to some \$462 billions by the end of November, 2001. Foreign trade grew by 12 per cent in 1997 and 31 per cent in 2002 but the figure came down to 7 per cent in 2001. Chinese foreign exchange reserves also increased substantially

from 139 trillion Yuan to over 200 trillion Yuan in 2001. Similarly, direct foreign investment forged ahead. It was over \$45 billion in 1998 and \$42 billion in 2001. These are very impressive figures by any standard.

Yet for all these economic achievements, China today is confronted by serious socio-economic problems. Their handling would determine the fate of the Communist Party as well as

ported from different parts of China during the last two years. Earlier this month, thousands of laid-off workers marched in the oil town of Daqing, once the proud showpiece of Mao's China. Even worse has been the lot of the poor peasants. While in the early years after the reform process began in 1979, farmers' income rose rapidly, in the last decade or so these have tapered off and the rural peasantry's

Peasant poverty has assumed such alarming dimensions that the Standing Committee of the Chinese Communist Party held a special but highly publicised meeting on February 4 to consider ways of alleviating it in a not unusual phenomena, local officials have been grabbing land from farmers and selling them at much higher prices for urban development. Over the next 10 years, 1.3 million hectares of land will be eaten by urbanisation, according to a Xinhua report, and 12 million peasants will lose their land. In addition, China's financial structure is in deep trouble. All the five top banks are insolvent. The bad loans in the entire banking system, including agricultural credit cooperatives, are estimated at nearly \$300-500 billions (no one knows the exact figure). The banks are being kept afloat by vast sums being pumped in by the Government as well as the savings habits of the Chinese who keep depositing into the state-owned banks.

That is why Beijing has declared its determination to concentrate on domestic economic development and adopt a softer approach on foreign policy. This other side of the story should be kept in focus, not to underestimate China's economic growth but for a more balanced understanding of the domestic compulsions for avoiding any adventurous foreign policy course and endeavouring to maintain and develop peaceful and cordial relations with other countries. This is equally applicable to Sino-Indian relations. Combined with the new international constraints in a situation where there is American presence all around China, in Pakistan and Central Asia, the domestic pressures on Beijing's foreign policy could provide new openings for taking India-China relations to a higher level of understanding and cooperation. It will be worthwhile for India to explore these possibilities.

(The writer is a former Pro-Vice-Chancellor, Delhi University and a former Member of Parliament)

Domestic pressures on Beijing's foreign policy could provide new openings for taking India-China relations to a higher level of understanding and cooperation.

of economic reforms. The economic reforms have hit hard the two classes that provided the legitimacy for the Party's hegemony over political and economic life — the working class and the poor peasantry. Even according to an official report, the country was in the midst of a "high tide" of labour unrest, and there have been a thousand mutinies among the poor peasantry. Many middle-aged working people speak of pay cuts and worthless stock shares, of corrupt officials and missing pension funds, of being cheated in China's rough-and-tumble transition from socialism to market economy.

Problems have been accumulating from the mid-1990s when Beijing began pushing local officials to either get rid of small, money-losing state firms or making them profitable. This became a disorderly process in which the Government often sold stocks in factories to the workers, but retained control as the majority shareholder. The workers were obliged to buy the shares at inflated prices and lost most of their savings soon thereafter, according to foreign reporters on the scene.

A rising number of demonstrations and sit-ins by workers, sometimes brutally suppressed, have been re-

tax battles have reached a boiling point. Farmers' incomes are growing almost three times more slowly than urban incomes. Chinese statistics show. Yet, taxes on rural communities are growing faster than in the cities. In the words of a senior Chinese researcher, the townships owe more than \$36 billion in loans and other debts, because the Central Government distributes fewer funds to help them with basic services, which they try to make up by imposing harsher taxes on the peasantry. In many areas, the peasant is a victim of the corruption and venality of the local officials. The ranks of the poor have been swelling with the urban-rural and coastal-interior divide reaching explosive proportions. A 1999 World Bank report, basing itself on Chinese official statistics, estimated that there were some 106 million peasants below the poverty line. The actual figure may be higher.

In the words of the Chinese economist, Hu Angang, China's rural and urban residents were living in "two separate systems". China was, he has written in a recent book, "one country, two systems, but four societies" in terms of residency, control, education, employment, public services, and taxation for decades.

THE HINDU

22 MAR 2002

THE BEIJING CONNECTION

India-China

We Can Choose What Sort Of Chinese Invasion We Want

5-6 2001

By SWAGATO GANGULY

Why does Chinese premier Zhu Rongji come visiting India on a six-day tour at a time when tensions between India and Pakistan are at their peak, only three months after cancelling a scheduled trip to New Delhi out of deference to the sentiments of General Musharraf? The answer is that Delhi is at last learning to play the game that Beijing excels at: economic pragmatism combined with the kind of *realpolitik* which places above all else the nation's strategic interests. Consider the manner in which Beijing covertly supplied nuclear materials and knowhow to Islamabad while publicly endorsing the notion of a nuclear weapons-free zone in South Asia, pointedly excluding itself. By keeping India tied down to its conflict with Pakistan, the strategy effectively precludes India from emerging as an economic and political challenger to China.

Contrasts

The Indian establishment, by contrast, generally pussy-foots when it comes to Beijing. It seldom makes an issue of Beijing's supply of missiles and of nuclear weapon designs and materials to Pakistan, a situation comparable to the Soviets supplying nuclear missiles to Cuba aimed at the US. Contrast the vigour of the American response with the preferred option of quite a few Indian media pundits, or of politicians like Subramaniam Swamy, which consists of silencing the Dalai Lama in the hope that this will keep Beijing happy. Delhi reiterates time and again that it considers Tibet a part of China, how often has it been rewarded with a matching response from Beijing that recognises Kashmir and Sikkim as parts of India?

However, the Beijing-Islamabad relationship is not free of complications either, a fact not often noted in India. One, the Chinese too have been victims of Islamic militants trained in Pakistan. Two, Beijing is uncomfortable with the fact that US forces have been given the use of Jacobabad, Pasni and two other airbases in Pakistan, and may be given listening posts in Gilgit which would enable the US to eavesdrop on Chinese nuclear activities.

Xinjiang, dominated by Uighur Muslims, is one of the poorest provinces that has been left behind by rapidly modernising China; it also borders Afghanistan and Pakistan's North West Frontier province, from where it has been exposed to radical Islamic influences. Muslim guerrillas have attacked Chinese troops and government buildings; setting off, in September 2000, a massive bomb blast in

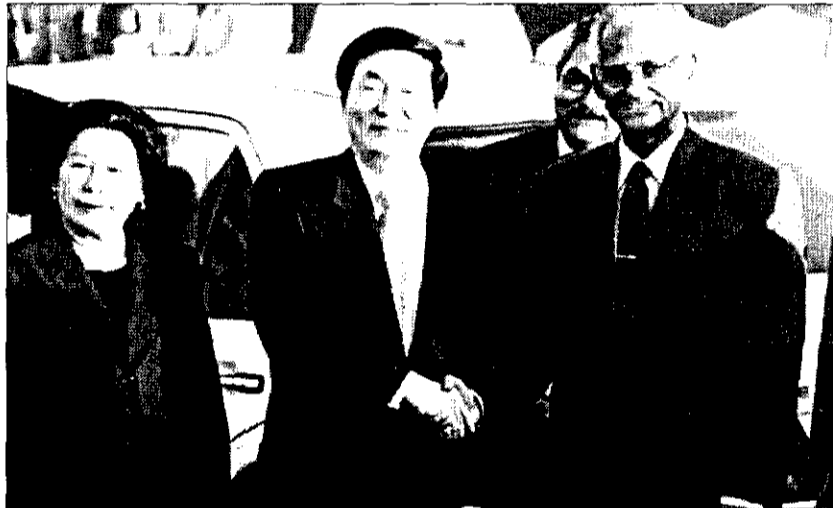
The author is Assistant Editor, The Statesman.

Urumqi, Xinjiang's main city, which killed hundreds. The Chinese authorities have been equally repressive; only a few months back, dozens of captured Islamic separatists were publicly shot at a city square in Kashgar.

Xinjiang is actually China's Kashmir, with two important differences. One, China is not a democratic country with a free press, and less information leaks to the outside world. Two, there is no external agent interested in sponsoring that insurgency and thus internationalising the issue. Beijing, however, sees itself as being as much afflicted by terrorism as the US,

long been Indian diplomacy's forte. Delhi, in fact, may already be some way along the ASEAN road, if Washington's support for the sale of the Israeli Phalcon Airborne Early Warning Command and Control System (AWACS) to India is any indication. This is one of the most advanced airborne radars in the world which would give India clear air superiority over Pakistan; moreover, it is one that Beijing tried hard to obtain but failed due to opposition from Washington. Depending on the sagacity of the US administration and the ability of both Washington and Delhi to move beyond Cold War mindsets, the end of the hypenated relationship with Islamabad may be in sight.

militancy that his army fosters. New Delhi has shown Beijing it has a will of its own, and engagement with it may be a better policy than containment. The bellwether of Beijing's policy since the 1980s — and this is the difference between Beijing and Islamabad — has been its economic pragmatism. If Napoleon once described the British as a nation of shopkeepers, that is certainly true of China today. Its awesome economic machine maintained spectacular rates of growth even when the rest of Asia was failing in 1997, and the world went into quasi-recession in 2001. With American



the Russians, or anybody else. Rongji has accordingly set up in cooperation with New Delhi a joint working group on terrorism. He has also made clear during this visit that Beijing considers Kashmir a strictly bilateral issue, to be settled between India and Pakistan, a point of view that leaves Islamabad isolated in its effort to internationalise Kashmir.

Pragmatism

What has upped the ante for Beijing is increasing American involvement in both India and Pakistan, which leaves it with the prospect of being isolated in South Asia. And this has to be attributed to some deft footwork by New Delhi, which by making an open-ended offer of cooperation with Washington after September 11, forced Musharraf to do the same and eventually dump the Taliban, the creation of an Islamised Pakistani military looking for "strategic space." Secondly, by mobilising troops and slamming diplomatic sanctions on Islamabad in response to the 13 December attack on Parliament, pressure that has led Musharraf into issuing unprecedented statements against the Islamic

investment in India's budding software sector, and sanctions against India at an end, Beijing senses growing business opportunities here. It must be observed, though, that even at this point Beijing's policy towards New Delhi is a finely calibrated one. While Rongji tours India at its point of maximal tension with Pakistan, Beijing is also shoring up its long-time ally by rushing five shiploads of military hardware and aircraft, including at least 40 F-7B fighter planes.

Delhi must be prepared to be equally flexible in its diplomacy. Following Vajpayee's enunciation of a "look East" policy, a good model to follow in this respect is that of ASEAN countries, which have combined a basically pro-Western policy with efforts to engage China, Japan and Russia. The former has led to open markets for their exports. Western investments and technology transfers, as well as security co-operation from the US; the latter has ensured that each power remains a competitive bidder for influence. Far more effective than grandstanding at non-aligned meets and otherwise contemplating its navel, which has

long been Indian diplomacy's forte.

Delhi, in fact, may already be some way along the ASEAN road, if Washington's support for the sale of the Israeli Phalcon Airborne Early Warning Command and Control System (AWACS) to India is any indication. This is one of the most advanced airborne radars in the world which would give India clear air superiority over Pakistan; moreover, it is one that Beijing tried hard to obtain but failed due to opposition from Washington. Depending on the sagacity of the US administration and the ability of both Washington and Delhi to move beyond Cold War mindsets, the end of the hypenated relationship with Islamabad may be in sight.

'Invasion'

In the long run, it is vested interests created by business and trade which obviate the necessity of conflict. Because of China's economic interdependence with ASEAN countries it has no border disputes with them, but goes to great lengths to reassure them about its intentions. The dispute over the Spratly islands may be an exception, but here again the motive is economic: at stake is the exclusive economic zone a nation can claim under maritime law, extending 200 nautical miles from its shoreline. If Beijing develops close trade ties with Delhi, that will lead not only to progress in resolution of the border dispute, but Beijing can be expected to rein in Islamabad's penchant for strategies that destabilise the whole of South Asia.

Deft diplomacy, however, will not work if bereft of an economic backbone, and New Delhi's refusal to fast-track economic reforms could throw a spanner in the works. Power flows not from the barrel of a gun, as Mao Zedong proposed, but from the ability to produce the goods the world wants. Beijing has hit upon this quicker than New Delhi, perhaps precisely because of the excesses of the Maoist years — China attracts as much FDI in six months as India drew through the whole of the 1990s.

But what could force the issue is the new Chinese "invasion" that is imminent, now that both India and China are members of the WTO. When Rongji was at Mumbai his men surveyed the city's markets, and found household goods there three to six times more expensive than in China. The entry of Chinese goods in Indian markets, necessitated by WTO rules, should have the salutary effect of concentrating policymakers' minds and forcing efficiency on Indian industry, which in turn would make its exports competitive. This needs freedom to engage and shed staff. And this takes us straight back to square one.

THE STATESMAN

28 JAN 2002

The Zhu visit

By K. K. Katyal

9th - Chinese
10.8 2001

AN IMPORTANT aspect of the Chinese Prime Minister, Zhu Rongji's visit to India earlier this month turned out to be its timing. It coincided with the stand-off between India and Pakistan and, as such, saw a new dimension added to it. His statements were closely examined. It would be foolish for anyone in India to expect even a slight weakening of China's relationship with Islamabad — it would continue to be "higher than the mountains and deeper than the sea" and Pakistan would remain an "all-weather friend". What stood out, at the same time, was the keenness to strengthen ties with India, notably in the economic field but not excluding political matters.

The practitioners of pretence diplomacy in the Foreign Office, however, went overboard, seeing meanings that were not there in Mr. Zhu's utterances. That was understandable as part of the public relations exercise but tended to generate undue hopes. There was the risk of disillusionment when situations do not follow the over-drawn picture. The message that Mr. Zhu conveyed was one of pragmatism and India would do well to adopt the same approach.

There is, no doubt, a sea change in bilateral ties which needs to be consolidated and expanded. Think of the low in the ties in 1998, because of the Defence Minister, George Fernandes' statements and the nuclear tests — think of all this and the progress made in the conscious efforts to control the damage, to reverse the negative trend and the movement in the positive direction will be clear. The credit goes to both countries. In the case of Beijing, it appeared to be part of a grand strategy which also manifested itself in China's bid to mend fences with Russia. The talk of a new strategic triangle taking shape in Asia, however, is to be discounted as wishful thinking by those who are keen — for good reasons, of course — on an early change in the present unipolar global pattern. In the case of India, the part played by the President, K. R. Narayanan, apart from the efforts of the External Affairs Minister, Jaswant Singh, deserves special mention. Of late, however, there has been a slowing down.

It was a multi-dimensional visit by the Chinese Premier to India and the job for the two sides is to consolidate the gains through serious follow-up.

Some say Beijing is warning to India as part of its response to the recent strategic changes in Asia and the adjoining region to its disadvantage — notably the American personnel in Central Asia (military bases in Kyrgystan, Uzbekistan), its ascendancy in post-Taliban Afghanistan, the new strategic ties with Pakistan and the stepped up activity in the Philippines. So what? If China is driven to promoting its ties with India because of these factors, is that a cause of worry? If China is impelled by realpolitik, should India back away from it?

New Delhi, however, will be justified in fixing its criteria to measure the progress in the bilateral field. The most important is the speed of the current exercise to clarify and confirm the Line of Actual Control. The inordinate delay in starting this process, even after the agreement by the two sides to undertake this job, was avoidable. The progress so far is tardy, too. The experts of the two Governments have exchanged maps in regard to the central sector which, in any case, is the least contentious: they have yet to take up the eastern and western sectors where it is certain to be tough going. In the east, China seems to have no problem with the *de facto* recognition of Sikkim as part of India, but it has been dragging its feet on *de jure* recognition. Beijing seems to prefer an indirect method — it wants the two sides to specify the points for border trade which, automatically, would mean China's acceptance of the status quo on Sikkim. India's preference is for the direct course of recognising the control line.

On its part, India, needs to be clear whether it has been alive to China's objections to the "political" activities of the Dalai Lama and the Tibetan community in exile. To Beijing, the Dalai Lama is the head of a splitting clique and, as such, New Delhi has to be careful in ensuring that he confines himself to the religious field. The distinction between the religious and the

political, at times, may not be easy but it will have to be scrupulously adhered to. Otherwise, New Delhi would be on weak ground while calling for China's restraint on military supplies to Pakistan.

On Kashmir and related matters, China has moved away from the earlier pro-Pakistan stand. It wants India and Pakistan to settle this problem bilaterally through negotiations. At one stage, China wanted Pakistan to put the difficult issue of Kashmir on the back-burner and concentrate on ways to promote cooperation with India in other — easier — areas. This point was made by the Chinese President directly to Pakistan during his address to the country's Senate. Of late, however, Beijing has refrained from saying so publicly. During Mr. Zhu's stay in New Delhi, the Chinese Foreign Office spokesperson, when queried on the subject, chose to repeat the present formulation — "settlement through bilateral negotiations". The Pakistan President, Pervez Musharraf, had not succeeded, during his recent visit to Beijing, in securing assurances of the type he was keen on in relation to the India-Pakistan stand-off. Mr. Zhu's was a two-track approach. One, China did not want to get involved in India's problem with Pakistan and, two, he hoped the current military build-up on the India-Pakistan border would not lead to a serious confrontation.

Though slightly overshadowed by the escalating India-Pakistan tension, the Zhu visit became a landmark in the ongoing processes of expanding cooperation between India and China. He set the right tone with his emphatic assertion that China did not pose a threat to India, elaborating the point thus: "China has never viewed India as a threat nor do we believe India will regard China a threat." What happened in 1998 seems a forgotten story, and the two countries are poised for a leap forward. It will be pointless to pretend that there are no differences but the two sides have decided not to let these come in the

way of cooperation and convergence. The Prime Minister, A. B. Vajpayee, referred to the "maturity of our relationship that we can successfully move ahead in all areas of bilateral cooperation while sustaining a continuous dialogue to address our differences". And his counterpart was equally emphatic that "we have more common understanding than differences. Our interests far outweigh any friction". For the first time, India and China chose to jointly address the problems caused by the menace of terrorism, agreeing to set up a joint consultation mechanism, a sort of joint working group. *Let no one interpret it as China's endorsement of India's position on cross-border terrorism and the involvement of Pakistan in it. But China has deep worries because of its own vulnerability close to Central Asia, in Xinjiang province, where sections of the ethnic Uighurs have created serious problems. The fact that these groups received jihadi training in Afghanistan during the Taliban regime made the threat particularly ominous. Here is a case where the two sides could exchange intelligence information to their mutual advantage.*

The visiting Premier showed special interest in steps to promote economic cooperation. Of symbolic significance was the announcement to commence an air link between New Delhi and Beijing from March 28. In his address to Indian industrialists, he called for a major increase in bilateral trade from the current \$3 billion to \$10 billion, urging them to invest in China and promote joint ventures in potentially profitable areas of Information Technology, telecommunications, science and technology and education. According to him, there was considerable scope for complementing and collaborating rather than competing and, citing one instance, he drew attention to the fact that while India was strong in IT software, China was strong in hardware. In Bangalore, during his visit to Infosys Technologies, he sprang a surprise by announcing on-the-spot approval of the enterprise's request to set up a base in Shanghai. China, it was clear, was keen on access to India's technology. It was a multi-dimensional visit and the job for the two sides is to consolidate the gains through serious follow-up.

THE HINDU

28 JAN 2002

India needs to apply the deeds-not-words principle not just to Pakistan but also to China

The dragon dance

BY BRAHMA CHELLANEY

11/8 23/1

9/23
China

NOTHING CAN damage national interests more than a foreign policy driven not by level-headed assessments and calculations, but by hope. Had undying hope not been the curse of Indian foreign policy, many of the past blunders would not have occurred.

After more than half-century of policy-making based on schmaltzy expectations, a new sense of realism is slowly creeping in. This belated coming of age began with India's 1996 veto of the flawed CTBT, an action that was logically followed by the Shakti nuclear tests. Now, without firing any rounds, a combat-ready India has compelled Pakistan to ban terror groups it nurtured and directed, and to pledge reform of its *jihad* complexes. Each time India has stood up for its interests, its international stature has risen.

India is now playing no longer to its weaknesses but to its strengths, and this new assertive India is changing international perceptions about itself and its concerns. The international discourse is suddenly characterised by more honesty about Pakistan's terrorist infrastructure and its export of terror. US Secretary of State Colin Powell, for example, sang the Indian line in New Delhi — no pullback of Indian forces until there is "further action" and cessation of cross-border activity by Pakistan.

A major attack or crisis can bring about positive change. September 11 has helped institute new norms and priorities for international relations. The most important principle to emerge from December 13 is India's determination to be guided not by words but by deeds. This tenet should be made the central principle of Indian foreign policy, governing India's relations with all nations.

If India applies this principle to its biggest neighbour China, it would not only help clarify matters, but also establish a valuable yardstick to judge Beijing's sincerity. China's India-related actions have always spoken louder than its words, with the expressions amiable and the deeds inimical. It was in keeping with those traditions that after quietly rushing jet-fighters and other weapon systems to shore up Pakistani defences in the current face-off, Chinese Premier Zhu Rongji declared in New Delhi that "China has never viewed India as a threat nor do we believe India will regard China as a threat."

A down-to-earth, result-oriented approach towards China is necessary because Beijing is a skilled practitioner of classical balance-of-power politics. Hemming in India from three sides — Pakistan, Tibet and Burma — is one of the ways Beijing has sought to impose limits on the capabilities of its potential rivals. China makes no secret of its desire



MIND HIS STEPS: Chinese Premier Zhu Rongji arriving in New Delhi

to dominate Asia by forestalling the rise of any peer competitor.

Despite its strategy to publicly simulate amity while privately working to tie down India south of the Himalayas, Beijing's saccharine talk gives way to rough talk whenever India has asserted its rights, including in 1974 and 1998 at Pokhran. Few can forget Chinese ultimatums to India in the 1965 and 1971 wars with Pakistan, and the 1999 PLA forays across the line of control in Ladakh while the Kargil war was raging, and later in Arunachal Pradesh.

Nothing has better exposed Beijing's true attitude than President Jiang Zemin's dirty dig at India in a private conversation with French President Jacques Chirac in late 1999. Referring to the PLA forays earlier that year to test Indian defence preparedness, Jiang mockingly told Chirac: "Each time we tested them by sending patrols across, the Indian soldiers reacted by putting their hands up".

Jiang raised his own hands up to drive home the point to a horrified Chirac. Blaming 1962 on Indian "aggression", Jiang warned: "If India were to attack China again, we will crush it".

The wide gap between what the Chinese communists say publicly and what they mean in actuality is so obvious when you compare those leaked remarks with Jiang's advertised statements on India, or with Premier Zhu's latest soothing declarations on Indian soil. In the Fifties, the covert Chinese encroachment on Indian territories occurred under the comforting *Hindi-Chini bhai-bhai* lullabies. Yet, sweet talk, however feigned or deceptive, has its benefits: China can sell missiles to Pakistan while at the same time access

the best India can offer — high-tech software — as Zhu did, by inviting Infosys to set up its capabilities in Shanghai.

Today, Beijing feels the need to add more saccharine to its public talk on India as the Asian strategic landscape is rapidly transforming since September 11 to China's disadvantage. In the name of fighting terrorism, the US has strengthened its strategic role from Central Asia to South-east Asia. It is setting up long-term military bases in Kyrgyzstan, Uzbekistan and Afghanistan; it intends to stay strategically engaged in Pakistan; and it has returned to the Philippines with its special forces.

The fast-changing strategic scene not only undercuts Chinese ambitions to dominate Asia, but also puts greater pressure on China's Leninist rulers at a time when the Jiang Zemin-Li Peng-Zhu Rongji triumvirate is set to retire one by one by the end of next year. Jiang is expected, however, to continue to head China's most powerful institution, the Central Military Commission.

Despite their heavy strategic investments in Pakistan, the Chinese now find themselves supplanted there by the Americans. Such has been the cost to China of the Pakistan military's alliance with terrorism. America's new military presence in Pakistan and formidable leverage over the Musharraf regime have even complicated China's construction of a Pakistani naval base at Gwadar.

Gwadar and Chinese radar facilities and other naval equipment on islands off the Burmese coast have been part of China's strategy to position itself along the key sea lanes from the Arabian Sea to the disputed Spratlys and control traffic

between the Indian and Pacific Oceans.

Given the altering landscape, the last thing Beijing wants is a US-India military tie-up. But it is likely to reap what it has sowed. Just as it pushed India to go overtly nuclear through its proliferation at home and abroad, China is driving New Delhi closer to the US by seeking pre-eminence through balance-of-power politics. At a time of growing Indo-US consultations on strategic cooperation, Zhu's visit signalled Chinese desire to decelerate that process by emphasising areas of potential Sino-Indian cooperation.

While India wants to build a relationship with China based on equilibrium, not overt competition, it cannot do so on its own. Zhu's dragon dance stressed the broad-spectrum principles shared by the two nations on international trade, environment, labour and other developing-world issues while ignoring the real bilateral problems.

For example, India and China still do not have a defined line of control, making them the only neighbours in the world without a mutually recognised or understood frontier. After two decades of continuous border negotiations, China had to be shamed into exchanging maps with India in late 2000 of rival ground positions in the least-contentious middle sector.

For five decades, the divide in the Indian debate on China has been between those who believe that New Delhi should proceed on the basis of Beijing's word and those who caution that policy be founded on Chinese actions. That was the divide between Nehru and Patel, with the former's gushy expectations costing India dearly. It is still the dividing line between the quixotic and pragmatic schools of thought on China. Zhu's calculatingly conciliatory tone was partly intended to influence the internal debate in India, particularly on strategic cooperation with Washington.

Just like Beijing is shrewdly handling its asymmetrical relationship with the US, India needs to look after its interests in relation to China without being overawed by the latter's growing power and assertiveness. In any asymmetrical situation, the weaker side can manage the stronger only by being a lot smarter and hard-headed. To be woolly-headed in such a situation is to allow the stronger to further subdue and control you.

India can persuade Beijing to focus on engagement without containment if it insists on deeds, not words. China should know that its protestations of friendship have to be tested by its actions. At the same time, New Delhi should build an arc of strategic partnerships with key neighbours of China to help neutralise the continuing Chinese military assistance and activity around India.

FRICATION DEBATE

THE HINDUSTAN TIMES
THE HINDUSTAN TIMES

23 JAN 2002

Slow and unsteady

5/1/99
China versus India 27/1

Debate over whether India's democracy, compared to China's manifest lack of it, is a help or a hindrance to economic reforms and growth is as important as it is inconclusive. But leaders, whether democratic or otherwise, can make a difference to a system. By that criterion, China, for example in the person of Zhu Rongji, the premier, has an advantage. Zhu, an engineer by training and a no-nonsense technocrat, has long been known for quick decision-making, and has been credited with cutting through China's Red (capitalisation intended) tape. So, it wasn't a surprise for Zhu-watchers that he took 15 minutes for a decision — okaying Infosys' entry in the Chinese market — that would have taken Indian ministers at least 15 weeks. This was precisely the point Arun Jaitley had made in one of his recent parliamentary speeches on the economy. He had asked the Opposition, and MPs in general, whether they are prepared to allow the executive the flexibility of quick, on the spot decisions, as, he said, Chinese officials have. This question and Zhu's demonstration of the point being made, must be given very serious attention by Indian leaders.

True, Zhu, and other Chinese leaders, do not have to think of parliamentary scrutiny, political opposition and media critiques before or after taking a decision. But that is China's loss and India's advantage. But none of these elements of a democratic system prevents Indian ministers and bureaucrats from working quickly and from files getting cleared fast. What does is the vested interest the people running the system have in keeping the pace slow. Sloth not only allows a good time in office but also creates opportunities for making deals for speeding up special cases. This, as every Indian knows, applies from the lowly municipal clerk to the most powerful ministers and officials. Who will change this? The Indian prime minister? He doesn't have enough power to reform so many powerful satraps and whether he wants to do it is in doubt given that one of the satraps appears to be his son-in-law. There is, of course, corruption, on a huge scale, in China, too. But at least the Chinese system also delivers some quick decisions, which reflect in economic performance. Indians, it seems, have to contend with both corruption and sloth.

THE STATESMAN

22 JAN 2002

Now, economics will drive Sino-Indian ties

By C. Raja Mohan

NEW DELHI, JAN. 18. Sino-Indian relations have long been on hold, thanks to decades of mutual distrust and political wariness. But, economics is finally being given an opportunity to get into the driver's seat of the engagement between the two Asian giants. That is the principal message from the extended visit of the Chinese Prime Minister, Zhu Rongji, that concluded today.

Bangalore and Shanghai, rather than New Delhi and Beijing, from now on will be propelling Sino-Indian relations forward. The political chasm that separated India and China has been so wide that even the best diplomatic efforts would have found it difficult to bridge.

Now, mercifully, New Delhi and Beijing have decided to get out of the way and let commerce take hold of the future relationship. The foreign offices of the two countries have been weighed down for too long by arcane negotiating positions which few but the most dedicated watchers of Sino-Indian relations cared for. Mr. Zhu's visit will be remembered for the triumph of economic pragmatism over political cussedness of the recent decades that has inhibited the expansion of bilateral cooperation between India and China.

For decades now, every political phrase from official China and every smile or frown of its leaders has been debated to death by the

Indian establishment. Worst case scenarios of Chinese political intentions have been peddled as conventional wisdom by the national security mandarins in New Delhi. India must now get ready to deal with the other China that believes "to get rich is glorious".

The extraordinary growth of Sino-Indian trade at the rate of nearly 30 per cent in the last three years and the growing awareness within the Indian business community of the potential of the Chinese market have paved the way

NEWS ANALYSIS

for a new emphasis on commerce and trade in bilateral relations.

Mr. Zhu, speaking to the Indian business community in Bombay earlier this week, had set a target of \$ 10 billion for bilateral trade in the next few years. That would involve tripling of the trade turnover nearly three-fold from the last year's performance at \$ 3 billion.

Chinese take their economic targets seriously, and whether India wants it or not, it is likely to be achieved by the focused Chinese approach. Chinese have set these kind of targets earlier in relation to other countries and have successfully realised them.

The trade target set by Mr. Zhu is also a clear political signal to the business community in

China to reach out to the Indian market and welcome Indian enterprises into the Chinese market. It is not that politics will be out of business in Sino-Indian relations. Political differences will continue to be managed, if not narrowed, while reducing their salience in the overall relationship between India and China.

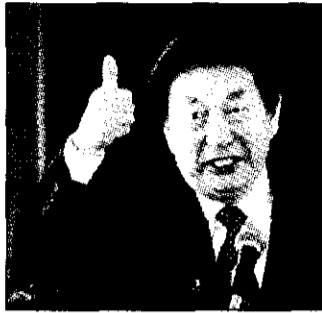
Interestingly, the rise of geo-economics could help transform the geopolitics of Sino-Indian relations. Just as the United States has ended its even-handed approach to India and Pakistan by acknowledging the superior potential of India, a rapidly expanding Sino-Indian economic engagement could encourage China to rethink its political priorities in the subcontinent.

Mr. Zhu's visit also suggests that China is no longer interested in a hyphenated relationship with India and Pakistan. Coming to India amidst a major military confrontation between New Delhi and Islamabad, Mr. Zhu might have said nothing that would offend Pakistan but he also said little that could give political comfort to Islamabad.

He strongly condemned the terrorist attacks of October 1 and December 13, agreed to the creation of a mechanism to discuss international terrorism and promote bilateral cooperation in combating it. More importantly, he signalled a strategy to quickly elevate the relationship with India despite Beijing's all-weather friendship with Islamabad.

19 JAN 2000

Lightning Zhu zaps with spot clearance



OUR BUREAU

Jan. 17: It's not known if Atal Bihari Vajpayee had ever met with such a request on one of his trips abroad. But his Chinese counterpart, Zhu Rongji (in PTI picture above), demonstrated today why China is a red-hot investor destination and India is red-tape tied.

On a visit to the Bangalore temple to India's infotech success, the Premier cleared on the spot a request from Infosys head N.R. Narayanamurthy to open a branch in Shanghai.

"Right now I am giving my approval," Zhu said to thunderous applause from around 1,000 young software engineers on the Infosys campus.

"Just now, (Narayana) Murthy has explained to me that Infosys has branches all over the world but it does not have one in China. On the spot, he wishes to give an application to open an office in Shanghai. Right now, I am giving my approval."

Nandan Nilekani, CEO-designate of Infosys, said it illustrated the Premier's "legendary ability" to take quick decisions.

An Infosys team has been in China for some months looking for opportunities. "We soon realised we needed to have an office there," a spokesman said.

Three Indian software companies — NIIT, Aptech and Zensar — are already in China and Wipro and Satyam are in the queue.

Nilekani said the Shanghai branch "will be both a software development centre and a marketing office".

Infosys made a presentation to the Chinese leader on the strides made by India in infotech. Impressed by it, Zhu wrote in the visitor's book: "Advanced technology, outstanding talent, modern management and tremendous achievement."

Zhu, known for his reformist zeal, said: "You are number one software exporter, China is far behind."

Not for long, warned Narayanamurthy. China could walk away with the premier position if India does not improve its basic infrastructure-building process and remove bureaucratic hurdles.

According to a recent study, China could overtake India as the main infotech outsourcing point for the US. "That could happen in the next three to four years," he said.

THE HINDU

11/8 JAN 2002

10 JAN 2002

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THURSDAY, JANUARY 17, 2002

TOWARDS A REALISTIC ENGAGEMENT?

THE SURCHARGED TENSIONS on India's border with Pakistan may have diluted the importance of the latest visit to New Delhi by the Chinese Prime Minister, Zhu Rongji, in a way that may not have much to do with the long-term prospects of a sustainable Sino-Indian entente. Not surprisingly in this situation, the External Affairs Minister, Jaswant Singh, has felt compelled to point out that India is keen to carry forward its diplomatic engagement with China knowing full well that Beijing and Islamabad can boast of a "special relationship". In the event, both Mr. Zhu and his Indian interlocutors have clarified that China does not wish to play a peace broker in a bid to defuse the volatile crisis in Islamabad's ties with New Delhi at this juncture. Mr. Zhu's current visit to India was indeed planned some time ago. Yet, its actual timing is not without significance for some continuity in the Sino-Indian relationship itself. Having received Pervez Musharraf in Beijing during the Pakistan President's urgent visit there on the eve of his participation in the recent South Asian summit that was attended by India too, Mr. Zhu has signalled that China, too, intends to improve its ties with New Delhi in spite of Pakistan's present shadow over this equation. Beyond the defective presence of this Pakistan factor lies the reality of a definitive improvement in both the ambience and substance of the Sino-Indian dialogue.

Mr. Zhu and the Prime Minister, Atal Behari Vajpayee, have drawn attention to the new emphasis on a counter-terrorism agenda as a salient aspect of the wider international concerns of the two countries. Although the counter-terror emphasis is entirely traceable to the phenomenal terrorist strikes against America and India in recent months, the new Sino-Indian move is a logical extension of the existing bilateral security dialogue. The fast changing global strategic environment will, of course, serve as the defining paradigm for such Sino-Indian ex-

changes of ideas and plans of action at the present moment. The tone of the current U.S.-led global discourse on anti-terror issues has already raised much hype about Beijing's presumably inevitable concerns regarding Pakistan as a possible source of China's troubles in its Xinjiang province. Now, China certainly has made no secret of its desire to blot out any groundswell of "splittist" tendencies within its territory, irrespective of their internal or external origins. More importantly, China does seem to count on India's moral support on this score. On a different plane, the U.S.-orchestrated international 'campaign' against globalised terror has now brought America's strategic footprint close to China itself in a way that was inconceivable hardly a few months ago. It is in this qualitatively new context that the Sino-Indian security dialogue, which may receive a counter-terror impetus, can encourage the two sides to interact in some unprecedented manner to try and reshape the global political order. *Inv. China HQ-8*

On the whole, though, neither India nor China has dropped any categorical hint about moving towards any grand bilateral consensus on a new world order or even a regional dispensation. The irritants in the Sino-Indian relationship are far from being eradicated. A positive sign is the reaffirmation by both countries to stay engaged as regards the relevant issues. A specialised bilateral group is still seized of the pre-solution phase of clarifying and confirming the Line of Actual Control along the disputed border regions. Also of interest to China is India's continuing hospitality to the Dalai Lama and the Karmapa. In a clear message of diplomatic maturity, India and China have now decided to strengthen economic ties even while grappling with some knotty political questions. Mr. Zhu's economic diplomacy is obviously geared to China's requirements as a new member of the World Trade Organisation, and India's dynamic software sector is an obvious focal point.

THE HINDU

JAN 17 2002

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17/1

SINO-INDIAN TIES / BEIJING-DELHI AIRLINK FROM MARCH 28

9nd china

Zhu seeks more joint ventures

By Our Staff Correspondent

MUMBAI, JAN. 16. The Chinese Prime Minister, Zhu Rongji, today announced the commencement of an airlink between New Delhi and Beijing from March 28. He also called for more bilateral exchanges and the setting up of a joint economic council for science and trade.

Appreciating India's efforts in ushering in a new economic order with improved co-operation among the developing nations, Mr. Zhu said Indian businesses must invest in China and promote bilateral and joint ventures in the "potentially profitable" areas of Information Technology, telecommunication, science and technology and education.

Given that the Sino-Indian trade of the order of only \$3 billion barely commensurates with the strength and potential of the two large economies, Mr. Zhu hoped it would grow to \$10 billion with "greater encouragement and serious commitment."

Addressing the business community here today at a luncheon organised by the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Confederation of Indian Industry (CII), Mr. Zhu said the two countries, together hosting a third of the world population, should work towards stability and

prosperity of the Asian region with emphasis on human development.

The proposed flights from March 28 would enhance greater interaction between the two countries, he added.

China and India should complement and collaborate with each other, not compete, and treble the bilateral trade. "What we need to do is explore each other's market." If India was strong in IT software, China was equally strong in hardware. "We can set up joint ventures in India where labour is cheap and make available IT products at a cheaper cost."

He said that after the introduction of reforms in China, foreign direct investment (FDI) which was around \$30-40 billion annually, jumped last year to a record \$46.8 billion.

Mr. Zhu said a survey of the Mumbai market by his delegates had revealed that the prices of electronic and household goods were three to six times higher than in China. "We can bring in the technology and set up joint ventures and even after adding the necessary tariffs, the goods would be cheaper."

Stating that his country's annual growth last year was 7.3 per cent, Mr. Zhu said he expected to "keep it at that level because of the IT-driven thrust that is being provided for the

next five years." In spite of the world-wide recession, China was likely to continue its economic growth.

The Chinese leader suggested the setting up of a Sino-India task force in science and technology and the identification of areas of joint collaboration in education and computer hardware.

He said China was slowly moving towards the establishment of a modern judicial system which would instill confidence in foreigners to invest there following the liberalisation of the economy across the globe.

Earlier, a delegation of Chinese lawyers, part of Mr. Zhu's entourage, interacted with lawyers and visited the Mumbai High Court to get first-hand information about the Indian legal system.

The delegation, during its week-long visit, also met the President, K.R. Narayanan, the Chief Justice of the Supreme Court, Mr. S.P. Bharucha, and the Chief Justice of the Mumbai High Court, Mr. C.K. Thakker. During the meeting with the Chief Justice of the Mumbai High Court, the lawyers discussed issues relating to jurisdiction of courts, laws prevailing to administration of justice and the rule of law in both the countries.

THE HINDU

17 JAN 2002

Rongji markets Chinese goods in India

I am amazed to find that most consumer goods are costing 3 to 6 times higher here than in China: Rongji

ENS ECONOMIC BUREAU
MUMBAI, JANUARY 16

ZHU Rongji, premier of the State Council of China, means business. Stepping up the marketing drive after hard talks on diplomacy and terrorism in the last two days, Rongji asked Indian companies to import cheap Chinese consumer goods so that the two-way trade between both Asian giants can increase to \$10 billion from the present \$3 billion.

"Yesterday, I sent my officials to survey the prices of consumer goods in Mumbai and we were amazed to find that most of the consumer goods are costing at least three to six times higher than in China," he told businessmen, adding, "Indian companies can import spare parts of TVs, refrigerators, air-conditioners and washing machines and assemble it in Indian plants. This will bring cost of production down and consumers would be able to get cheaper

and quality products."
That China is looking forward to India as a potential market could be gauged by the fact that his entire speech was exhorting Indian companies to form joint ventures for 'mutual benefit' and increased 'south-south' cooperation. Bilateral trade with India was equal to that of Vietnam, a mere \$3 billion. "What we need is to explore each other's market and raise it to \$10 billion," he added.

Citing another example, the Chinese premier said India is strong in software, while his country was equally strong in hardware. "We can set up joint ventures in India, where labour is cheap, and make available IT products at a cheaper cost," he said, adding, "Time has come to exploit each other's market as within us we have one-third of world's population but very few business relations."

Replying to a question, Rongji said instead of competing with each other

and comparing statistics on GDP figures, both countries should complement and collaborate with each other. "We have our respective advantages and we should see that bilateral trade is trebled considering the massive potential of both economies," he added. India and China can play a major role if "we join hands for peace and economic prosperity in the region," he said.

Rongji said to step up bilateral trade service was being introduced by China Eastern Airlines between Beijing and New Delhi from March 28. "I have invited External Affairs Minister Jaswant Singh on the inaugural flight and I am asking you all (businessmen) to come, see and invest in China," he said. Though there has been recession all over the world, China was likely to continue with its economic growth which shows the potential for India and China. He suggested setting up of a Sino-Indian task force in science and

Q&A with Rongji

ANAND MAHINDRA, MD, ITC: "You talked about forming business relations between both countries. Which are the areas where you can think of cooperation?"

RONGJI: India and China can form JVs in project contracting where Chinese companies would bid for Indian projects and bring in their technology to construct infrastructure projects. These JVs can hire local labour so that Indians can benefit too. Besides consumer goods and IT are other potential areas

YOGI DEVESHWAR, chairman, ITC: "China is getting a lot of FDI... but when China would

be able to export finance (invest abroad)?"

RONGJI: China got more than \$46.8 billion FDI last year but our own investments abroad is very negligible and restricted to very few Asian companies. We hope more Chinese companies will come to India to invest and my visit is to facilitate more investments between the two countries.

SUNIL MITTAL, chairman, Bharti Enterprises: "When will China allow foreign companies to own Chinese companies in telecom sector?"

RONGJI: At present China is allowing 49 per cent foreign ownership in telecom projects and we do not plan to increase it in the immediate future. **ENS**

technology to identify areas of joint collaboration in fields of education, bio-tech and computer hardware.

China was committed to fulfill all the obligations of WTO as it had bene-

fited on a wider scale from economic reforms. He announced forming of twin state relations between Mumbai and Shanghai and Guangdong province and Maharashtra state.

INDIAN EXPRESS

CHINA IS NEAR

The visit to India of the Chinese premier, Mr Zhu Rongji, has undoubtedly given a fillip to bilateral relations. Although somewhat overshadowed by the India-Pakistan crisis, the Chinese leader's visit has so far been an unqualified success. There is a growing warmth in Sino-Indian relations, and the dip that the relations took after India conducted its nuclear tests in 1998 seems to have been largely overcome. Mr Rongji's visit comes almost exactly a year after the visit of Mr Li Peng, the chairman of China's National People's Congress. While Mr Li Peng had cleared the air during his trip, Mr Zhu Rongji's visit has pushed the two countries further down the path of cooperation, especially on economic issues. It is equally significant that right at the start of the visit, the Chinese leader made it clear that China had no intention to mediate between India and Pakistan, nor did New Delhi need to feel threatened in any way from Beijing.

The most significant factor which is driving Chinese policy, as far as New Delhi is concerned, is apprehensions about the presence of the United States of America in the region. Reports of a permanent US base in Afghanistan and the possibility of the US expanding its influence in central Asia are causing grave concern to China. Not only does it not want US influence to expand to India, but it also sees in New Delhi a potential partner in its quest for a multipolar world order. Although India may not feel threatened by US hegemony, it is clear that New Delhi also seeks a greater balance in the international system. It is also obvious that China and India face a common threat from international terrorism, especially of the kind being spread by radical Islamic groups. While Beijing has in the past been hesitant about naming Pakistan, a longstanding ally, yet Mr Zhu Rongji went further than other Chinese leaders, including Mr Li Peng, in condemning terrorism on Indian soil. India and China have also agreed to hold a regular dialogue on terrorism and expand cooperation in countering this common menace. The warming of bilateral ties cannot, however, hide the differences over a number of critical issues and should not prevent a frank dialogue on these contentious areas. New Delhi's most serious concern remains Beijing's disturbing record of transfer of arms and nuclear and missile technology to Pakistan. A healthier and firmer Sino-Indian relationship, it is clear, can only be built if both countries do not shy away from addressing the issues that have derailed ties time and again. Fortunately, Mr Zhu Rongji's visit indicates that China has introspected and come to an understanding that it is vital to forge closer ties with New Delhi. The time has now come to translate that understanding into a stronger bond.

THE TELEGRAPH

17 JUN 1999

India, China for closer economic ties

By Atul Anjia

NEW DELHI, JAN. 15. Downplaying the differences on their disputed boundary, India and China have decided to build closer economic ties and have established a forum that will help them combat terrorism.

The accent of the visiting Chinese Prime Minister, Zhu Rongji, who arrived here on Sunday, has been on pragmatism. Government sources here pointed out that Mr. Zhu's visit seeks to expand common ground with India in the economic, scientific and political spheres. But both sides have not hesitated to address their differences. India, on its part, has also stressed that it does not see China as a threat and wants to expand cooperation with it.

"We have more common understanding than differences and our interests far outweigh any friction," Mr. Zhu has said. He has also emphasised that both countries have common "long-term interests."

On the political side, India and China agreed that they face a common enemy in terrorism. Keen to expand cooperation on countering terrorism, they have decided to hold a regular dialogue in this field. While India has been a victim of terrorism since over a decade, China also faces extremism from a section of the ethnic Uyghurs residing in its Xinjiang province. Along with nationals from other countries, the Uyghurs were also found training for Jihad in some of the terrorist camps in Afghanistan.



The Chinese Prime Minister, Zhu Rongji, and his wife, Lao An, at Qutab Minar in New Delhi on Tuesday.

— Photo: Anu Pushkarna

Government sources here pointed out that while Pakistan had taken action on its soil to block movement of Uyghurs into China, Beijing continues to remain concerned about cross-border terrorism from some of the neighbouring Central Asian republics. Not surprisingly, China holds regular consultations with the Central Asian states and Russia under the Shanghai-six frame-

work. By establishing a dialogue mechanism with India, it has now opened another channel to counter terrorism.

During a meeting with the Lok Sabha Speaker, G.M.C. Balayogi, Mr. Zhu reiterated his condemnation of the December 13 attack on Parliament.

Keen to remove key irritants in the relationship, India and China have decided to accelerate the clarification of their disputed boundary. Both sides have already arrived at an understanding of the alignment of the LAC in Himachal Pradesh and Uttaranchal. They are now gearing up for a similar exercise along the Sino-Indian boundary in Ladakh and Arunachal Pradesh. India and China differ on the LAC alignment at eight spots in the Western sector and six in the east.

The Chinese Premier's visit is also sharply focused on building a strong commercial relationship with India. Mr. Zhu has said that Indian goods will now have greater access into the Chinese market under the WTO guidelines. According to reports from Beijing, India-China trade in the last one year has crossed the three billion mark. Signaling the impetus on commerce, a 25-member business delegation will join Mr. Zhu in Mumbai. The Chinese Premier is traveling to Bangalore to seek tie-ups involving Chinese hardware and Indian software in the Information Technology sector.

During his visit, Mr. Zhu has stressed expansion of interaction among Indian and Chinese political leaders, officials, businessmen and academics.

THE HINDU

16 JAN 2002

Enter the dragon

THE TIMING of Chinese Prime Minister Zhu Rongji's visit to India could not have been worse. Not only were there reports of the supply of fresh Chinese military hardware to Pakistan, reviving the familiar stereotypes of Sino-Pakistani collaboration against India, Pervez Musharraf, too, paid two quick visits to Beijing to underline the 'all weather' nature of their mutual friendship. In the process, any belief that the Chinese are today as worried as India about Islamic terrorism because of its impact on their own Xinjiang province was quickly dissipated. In addition to these developments, it is also undeniable that any show of cordiality between India and China still seems a little forced presumably because of the still surviving unpleasant memories of the 1962 conflict.

However, despite such an unfavourable atmosphere, the fact that the talks between Mr Zhu and the Indian leaders went off fairly well is indicative of the changes that have occurred in mutual perceptions in recent years. Nothing emphasised this transformation better than Atal Bihari Vajpayee's categorisation of China as a "friendly neighbouring State". This description is a far cry from George Fernandes's earlier perception of China as a major potential enemy which had caused a huge setback to mutual relations. If

the mood today is different, the reason is the realisation that the present-day China is also a different entity from the Maoist version, which still seems to bother many Indians. For all the reservations which China may harbour about Indians continuing to play host to the Dalai Lama as well as a large body of Tibetans to whom India is now virtually a second home, Beijing's focus at the moment is almost wholly on economic development. It may continue to bolster Pakistan's confidence vis-a-vis India by supplying weapons, but it would not like a major conflagration in the region for it would seriously undermine not only South Asian stability but of a large part of Asia as well.

The preoccupation with the economy, therefore, has made China abandon virtually all of its earlier combative ideological baggage. Pakistan remains the odd imponderable in its worldview, as does Taiwan. With respect to these, Beijing is still pursuing some of its old policies, though with much less fervour than before. But, in the main, it would like to strengthen its economic ties with India and perhaps hope, as does India, that an improvement in the atmospherics between the two countries will facilitate the solving of the border dispute, a relic of the colonial period. To this end, Mr Zhu's visit served a useful purpose.

Sino-Indian discussions cordial despite differences over Tibet

Times News Network

NEW DELHI: It was perhaps an evidence of the excellent conflict management between India and China which allowed Chinese premier Zhu Rongji to complete his engagements in Delhi without any real disagreements. In fact, among the most contentious issues that came up for discussion were those concerning the Dalai Lama and the activities of Tibetan refugees in India. In view of the current Indo-Pak tensions and India's concerns about Sino-Pak military cooperation, the amiable discussions between the two sides is indeed a remarkable achievement.

An external affairs ministry spokesperson said China's invitation to external affairs minister Jaswant Singh to visit that country had been accepted and the suggestion that he travel to Beijing on the first direct flight was being looked at. She said the meeting between Prime Minister A.B. Vajpayee and his Chinese counterpart Zhu Rongji had provided a road map for expansion and deepening of relations.

Mr Zhu also met Lok Sabha speaker G.M.C. Balayogi, leader of the opposition Sonia Gandhi and Rajya Sabha deputy chairman Najma Heptullah on Tuesday before his departure for Bangalore.

According to the spokesperson, Mr Zhu had condemned the attack on the Indian parliament and opposed terrorism in all its forms. Referring to the fact that China itself faced terrorism, he said it could not be justified.

An agreement on setting up a mechanism on cooperation in counter-terrorism is expected to be finalised by the foreign offices of both the countries. During the discussions, both India and China had also expressed hope that the exercise of border clarification would be completed as soon as possible.

It was only on the issue of the Dalai Lama and the Tibetan refugees that the two sides appeared to have agreed to disagree. Expressing its discomfort over the activities of expatriate Tibetans, Beijing said they were aimed at "sabotaging the friendly relations between India and China". But New Delhi made it clear that it considered the Dalai Lama a religious and spiritual leader. On the activities of Tibetan refugees, the spokesperson said, "I don't believe that any position expressed in the past has in any way been diluted. The demonstrations by Tibetans were part of what is allowed in a democratic country within the laws of the land."

PM raised PoK package with Zhu

Indo-china *ST-1* *16/1*
Nilova Roy Chaudhury
in New Delhi

Jan. 15. — The first visit by a Chinese premier to this country in over a decade afforded India's new-found confident diplomacy to do some plainspeaking. While India raised some troublesome issues, including a recent Chinese aid package to Pakistan-occupied Kashmir, China raised the issue of Tibet's government-in-exile here and the Dalai Lama.

When the Chinese Prime Minister, Mr Zhu Rongji, proposed that India and Pakistan resolve their differences, including those over Kashmir, peacefully, the Indian delegation, led by the Prime Minister, Mr Atal Behari Vajpayee, brought up the issue of China signing an MoU with Pakistan to provide an aid package directly to PoK.

The MoU, providing around \$55 million in development aid to PoK, was formalised during Pakistan President Gen Pervez Musharraf's visit to Beijing last month.

With Parliament having adopted a resolution in 1994 on the "unfinished agenda", and coming close on the heels of the 13 December attack on Parliament, the direct aid to the new government in PoK was a distinct sore point with India.

Combined with the completed Karakoram highway, the varying claims on the LAC, 38,000 sq km of Aksai Chin and the 5,120 sq km ceded by Pakistan to China (illegally, India claims) in 1963, and, of course, missiles and other weapons transfers to Pakistan, this was yet another irritant in bilateral relations.

China, as a result, agreed on a "joint mechanism" with India to counter

terrorism, which it condemned as not being justified under any circumstances. Though details of the "mechanism", whether it would be a joint working group, or whether experts from both foreign ministries would be involved, are yet to be worked out, "think of the impact this would have across the border", an official said.

That the potential for expansion of economic ties between the two countries has assumed primary proportions is apparent from the fact that India and China have managed to compartmentalise their irritants onto the back burner, while concentrating on raising the volume of bilateral trade to around \$10 billion. It is currently worth around \$3.6 billion.

On the Kashmir issue, India's assessment is that China will remain neutral in the event of any overt hostilities between India and Pakistan.

THE STATESMAN

16 JAN 2002

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Sonia, Najma call on Zhu

By Our Special Correspondent

NEW DELHI, JAN. 15. The Congress delegation led by its president, Sonia Gandhi, today called on the Chinese Prime Minister, Zhu Rongji, and exchanged views on

issues of bilateral interests.

The visiting dignitary appreciated the role played by the former Prime Minister, Rajiv Gandhi, in bringing a turnabout in relations between New Delhi and

Beijing and improving them. Ms. Sonia Gandhi accepted an invitation from Mr. Zhu to visit China.

The Leader of the Opposition in the Rajya Sabha, Manmohan Singh, and the chairman of Congress Foreign Policy Department, K. Natwar Singh, were also present at the 40-minute meeting.

The two leaders also discussed regional issues in the context of developments in Afghanistan. During the discussion, Mr. Zhu condemned the December 13 attack on Parliament House.

In a separate meeting with the Rajya Sabha Deputy Chairperson, Najma Heptulla, Mr. Zhu agreed that terrorism was a menace throughout the world and it had to be contained through a concerted global action. He said there was a consensus between India and China on the issue of terrorism.

The two leaders also discussed the future of trade between the two countries that could be enhanced from the present \$3 billion to \$10 billion.



The Congress president, Sonia Gandhi, calling on the Chinese Prime Minister, Zhu Rongji, in New Delhi on Tuesday. — Photo: V. Sudershan

10 JAN 2002

THE HINDU

Chinese Chequered

It is a measure of our obsession with the K-word and Pakistan, that the six-day state visit of Chinese premier Zhu Rongji to Indian shores has barely created a ripple in the media. Apart from the odd ministerial statement and the mandatory picture of Mr Zhu and his wife in front of the Taj, one could almost be excused for thinking that the Chinese premier — the second most powerful leader from the Middle Kingdom — was in India to pay a casual private visit. Let's face it: Beijing has emerged as a major world player in economic and strategic terms. If the long 20th century belonged to America, then the new millennium probably belongs to the oriental dragon. Part of the lukewarm Indian response has its roots in our genuine lack of knowledge of and interest in matters Chinese. Most of what we know about China is second-hand, mediated by the cares and concerns of the West. From policy institutions to strategic think-tanks to swadeshi centres of higher learning, there is little Indian premium on first-hand information about our powerful eastern neighbour. The few images we have are inexorably bound up with bitter memories of the 1962 border war, namely, Beijing's betrayal in the face of Nehru's idealistic cries of "Hindi-Chini bhai bhai". In the four decades since, Indian Marxists might have kept their tryst with Mao and his market successors, but the mainstream political establishment has veered between paranoia and bouts of wistful envy about the economic miracle that is China.

The sceptic would argue that given the special ties that bind Beijing to Islamabad, there is little realistic possibility of a serious Indo-Chinese engagement. But that would be to misunderstand China's recent policy record both at home and abroad. From foreign affairs to economy, post-Mao China has displayed, barring political and human rights aberrations, a profound sense of pragmatism and a willingness to change. This is exemplified as much as in a steady improvement in our bilateral relations — notwithstanding a long-standing border dispute and the continued irritant of New Delhi's support for the Tibetan cause — as in Beijing's refusal to toe Islamabad's line on the all-important Kashmir issue. Post-September 11, there is also a shared concern on the issue of terrorism: Like New Delhi, Beijing too is haunted by the spectre of "terrorism", albeit on a smaller scale, in Xing Xiang province. Add to that Beijing's fears about Pax Americana, now including a potentially permanent US military presence in South Asia through Pakistan, and it gives policy wonks in New Delhi more than enough to chew on. Aside from strategic concerns and cooperation, Beijing today is a global economic player of exceptional strength and depth. India has so far largely failed to learn or benefit from Beijing's brand of hard-headed market economics. While trade and investment between the two countries has increased in recent times, it is a mere pittance if viewed in the light of Beijing's annual trade of half-a-trillion dollars. If Mr Zhu's visit can help re-focus the relationship between the two Asian giants from sporadic suspicion and long-term indifference to sustained economic cooperation, then he will have done much to bring down the Chinese wall.

Age of Clones

THE TIMES OF INDIA

15 JAN 2002

China echoes India on third party role

FROM PRANVA SHARMA

New Delhi, Jan. 14: Just days after Pervez Musharraf appealed to world leaders to play a greater role in Kashmir, Pakistan's closest ally China today made it clear that Delhi and Islamabad should resolve the issue without third-party involvement.

Visiting Chinese Prime Minister Zhu Rongji, who stated his government's position to his Indian counterpart and host Atal Bihari Vajpayee this evening, also urged the nuclear twins to resolve their differences soon for peace in the tense subcontinent.

Zhu's remarks are a clear sign that Beijing has serious differences with Islamabad on foreign intervention to resolve the Kashmir tangle. This is almost akin to India's stand. Even yesterday, foreign minister Jaswant Singh rejected the Pakistani proposal for third-party mediation in the embattled Valley.

In another significant development, China and India today agreed to set up a counter-terrorism mechanism so that the two countries could co-operate in combating the menace.

Zhu made it clear that China, despite close relations with Pakistan, was willing to improve ties with India. Describing Delhi as Beijing's partner, he said the two could also contribute towards world peace. This is the first time that China has recognised India as an equal partner for bringing

stability in both the region and the world.

The interaction between the two delegations this evening showed that the neighbours, despite differences on thorny issues like the boundary problem and arms supply to Pakistan, are keen on improving bilateral ties with special focus on economics.

"It is a sign of our shared cultural legacy and of the maturity of our relations that we can successfully move ahead on all areas of our bilateral cooperation while sustaining a continuous dialogue to address our differences," Vajpayee said at the banquet he hosted for Zhu.

"India and China are also amongst the two fastest growing economies in the world," he added. "Amidst talk of global recession and economic slowdown, our two economies continue to surge ahead."

Zhu, the first Chinese Prime Minister to come to India on an official visit after Li Peng in 1991, reciprocated Vajpayee's sentiments. "India and China are the two largest developing countries and the fastest growing economies," and should draw upon each other's experiences," he said.

The two sides signed a number of agreements, including cooperation in the field of science and technology, outer space and tourism. They agreed to exchange information on the Brahmaputra to check floods in Assam and decided to resume di-

rect air links from March. Zhu requested Jaswant to come to China by the inaugural Delhi-Belting China Eastern flight scheduled for March 28.

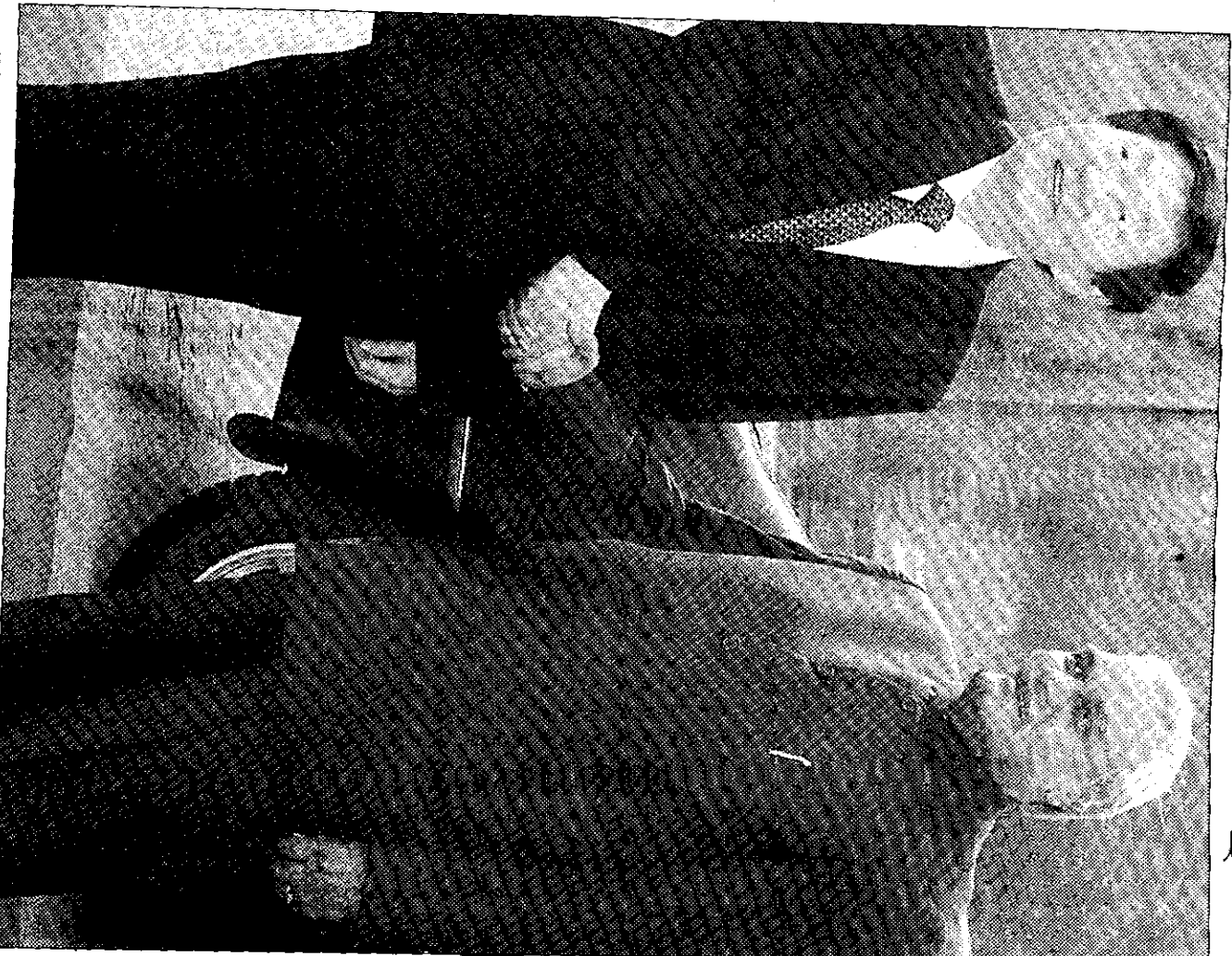
The Chinese Prime Minister's only public speech will be in Mumbai on Wednesday when he addresses the Joint Business Council meeting of the two sides. He is also scheduled to visit Bangalore.

Zhu held a series of meetings with Indian leaders, which included calls on President K.R. Narayanan and Vice-President Krishan Kant.

To the Indian leadership, the timing of Zhu's visit is significant. General Musharraf, through frequent visits to China over the past few weeks, had tried to give the impression that Beijing would stand behind Islamabad if war broke out between India and Pakistan. But Zhu's visit here, Indian leaders feel, showed that China would not like to be dragged into what it considers a bilateral issue.

Delhi's relationship with Beijing has gone through several ups and downs in recent years. India's description of China as "potential enemy number one" and citing threat from Beijing as one of the main reasons for its May 1998 nuclear tests had predictably soured relations between the two.

But over the past two years, both India and China have been making conscious efforts to rebuild the bridges.



Chinese Premier Zhu Rongji with Prime Minister AB Vajpayee at Rashtrapati Bhavan. (AFP)

No role for China in Kashmir, says Zhu

HT Correspondent
New Delhi, January 14

GEORGE SOFTENS ON BEIJING

CHINESE PREMIER Zhu Rongji today assured Prime Minister Atal Bihari Vajpayee that Beijing would keep out of the Indo-Pak dispute over Kashmir and would not respond to Pakistan's appeals for mediation.

But he said he hoped that the eyeball-to-eyeball military situation along the India-Pakistan border would not lead to a serious confrontation between the two countries.

The two leaders discussed terrorism and the security scenario in the region during their half-hour meeting today. There was considerable apprehension

DEFENCE MINISTER George Fernandes on Monday said India's relations with China were "correct and friendly". He urged that the Sino-Indian approach to resolving border disputes be replicated in the Indo-Pak context. "We have border disputes with China, but those are the subject of periodic discussions. But there's no conflict on the ground. We have had no action of any kind on the (Sino-Indian) border for over four years."

HTC, New Delhi

before the Chinese Premier's visit over reports of enhanced Sino-Pak military co-operation since December 13.

Later, in his speech at the banquet in honour of Zhu, Vajpayee said, "Co-operation against terrorism is at the top of the agen-

da. China and India have agreed today to jointly counter this menace". The two countries also pledged to take forward their dialogue on confirming the Line of Actual Control (LAC).

The spokesperson of the Ministry of External Affairs said

that India would continue to monitor all developments on the Sino-Pakistani front as it was aware of the "special relationship" shared by the two countries. However, it pointed out that India never "hyphenated" its relationship with China on any third country. "The relations are governed by national interests as there are enough areas of potential co-operation".

The two countries signed some agreements for co-operation in science and technology, space research, sharing of hydrological data on the River Brahmaputra and tourism. Zhu's visit coincides with a Chinese airline's plans to introduce non-stop Delhi-Beijing flights.

THE HINDUSTAN TIMES

15 JAN 2002

Terror must be fought in all its forms: Zhu

NEW DELHI: Sharing India's concerns, China on Monday asserted that terrorism had to be fought "in all its forms" and stressed that the international community should enhance cooperation to root out the scourge.

Beijing's position was conveyed by visiting Chinese Prime Minister Zhu Rongji during the wide-ranging discussions he had with Indian leaders. According to official sources, Mr Zhu told Indian leaders that China was opposed to terrorism in all its forms, no matter when or where it occurred or whom it was directed against.

The Chinese Prime Minister conveyed his personal sympathies for the December 13 terrorist attack on parliament.

Mr Zhu, who is on a six-day official visit, held discussions with Prime Minister Atal Behari Vajpayee on the entire gamut of bilateral ties, Indo-Pak tensions and international issues of mutual concern.

The two sides signed an agreement on enhancing cooperation in tourism and memoranda of understanding (MoUs) for cooperation in space, science and technology as well as for providing hydrological information of the Brahmaputra during the flood season. Agreements on some WTO-related issues are in the offing. At a banquet he hosted for the visiting dignitary, Mr Vajpayee said, "Cooperation against terrorism is at the top of the agenda of all peace-loving countries, and I am happy that we have agreed today to jointly counter this menace."

Mr Vajpayee noted that the good progress in the process of clarification and confirmation of the Line of Control signalled the intention to move ahead in different sectors in a defined and time-bound manner.

"Our steps will go a long way in strengthening trust and understanding between the two countries. Today, as the two most populous countries in the world, both our countries have to address problems of greater magnitude and complexity than at any time

in our history," Mr Vajpayee said.

The Chinese leader was apprised of the Indian response to Pakistan President Pervez Musharraf's address on Saturday.

Mr Zhu, accompanied by his wife Lao An, called on President K.R. Narayanan and hoped his visit would consolidate friendly relations and mutual cooperation, an external affairs ministry spokesperson said.

Observing that India and China were the two largest developing countries and the fastest growing economies, Mr Zhu stressed during his parleys that the two sides should draw upon each other's experiences.

The two countries agreed to step-up high-level contacts and exchanges at various levels to promote mutual understanding and further consolidation of inter-parliamentary cooperation. President Narayanan stressed that although certain problems existed between India and China, this should not affect their cooperation in various fields.

He expressed confidence that Mr Zhu's visit would have a significant impact on the future of Indo-China relations. Mr Zhu responded by saying that the purpose of his visit was to consolidate friendship, increase trust and expand cooperation between the two countries.

During his 45-minute meeting with vice-president Krishan Kant, the two sides emphasised the need for strengthening mutual ties, particularly in the economic and cultural fields. China fully endorsed the Indian view that there was a vast untapped potential in the economic sphere which should be fully exploited.

Terming the next century as the Asia-Pacific century, Mr Kant said the two countries would have a major role to play in shaping the future of the world.

Both the President and the vice-president extended invitations to their Chinese counterparts President Jiang Zemin and vice-president Hu Jintao to visit India. (PTI)

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15 JAN 2002

Pak won't cloud Zhu visit: Delhi

Indo-China
H.N.B
19/1

Udayan Namboodiri & PTI
New Delhi, January 13

OFFICIALLY INDIA may be overplaying the "economic importance" of Chinese Premier Zhu Rongji's visit, but the political undercurrents created by Beijing's recent military assistance to the Pakistani military build-up is likely to creep into the agenda.

Zhu today said he was not here to broker peace between India and Pakistan.

"China has neither any intention nor will it play any mediatory role between the two countries," External Affairs Minister Jaswant Singh told a press conference today.

Singh said India was aware of the "special relationship" between Pakistan and China, which included the transfer of military hardware. But despite that, Sino-Indian ties are improving. He hinted that Zhu's visit would lead to the inking of significant agreements.

"I am sure there will be movement forward during talks with Zhu," Singh said.

Zhu is the first Chinese Premier to call on New Delhi since Li Peng's 1991 visit. An MEA spokesperson said "wide-ranging discussions with Prime Minister Vajpayee on the entire spectrum of bilateral ties and regional issues of mutual concern" are on the cards.

Both Beijing and Islamabad have denied reports about China rushing aircraft and equipment to Pakistan, but New Delhi has evidence that China sent five shiploads of military hardware, including 40 F-7B planes. Some more planes were flown from China by Pakistani pilots.

An Indian official said China was up to "dangerous games". Neutral policy in the Indo-Pak standoff is perceived as "skin deep". However, Beijing is currently locked in problems with the Musharraf regime as well. When Musharraf handed over



REUTERS PHOTO

A Tibetan refugee weeps during a protest march against Chinese Premier Zhu Rongji's visit to India.

the Jacobabad and Pasni airports to US forces, China reportedly threatened to pull out of the Gwadar Port project. A cornered Musharraf rushed to Beijing, for the second time in as many weeks, to placate the Chinese leadership that he would wrest some allowances from the US.

But China made it clear to him that it will not view favourably any move to give the Americans some listening posts in Gilgit from where developments in China's nuclear facilities can be monitored. India will also seek a reiteration of Zhu's commitment for a hasty resolution to the outstanding border dispute. A few agreements covering co-operation in Science and Technology, Space and Trade may also be signed.

Zhu is expected to urge Vajpayee to revoke India's anti-dumping duties on over 50 Chinese products. China feels that India's actions actually amount to trade protectionism. In the past, China has expressed concern over anti-dumping cases initiated by India saying these hamper bilateral trade relations.

THE HINDUSTAN TIMES

14 JAN 2002

We have no plan to broker Indo-Pak. peace, says Zhu

By Atul Aneja

NEW DELHI, JAN. 13. With the war against terrorism drawing the U.S. military forces close to its South and Central Asian borders, the Chinese Prime Minister, Zhu Rongji, arrived here this evening to explore possibilities of expanding political cooperation with India.

Mr. Zhu, who first landed in Agra, said soon after his arrival here that China had no intention of brokering peace between India and Pakistan. Earlier in the day, the External Affairs Minister, Jaswant Singh, said at a press conference that "China has neither any intention nor will it play any mediatory role between the two countries." Notwithstanding China's special ties with Pakistan, India was committed to improving relations with Beijing, Mr. Singh said. Highly-placed sources here say that Mr. Zhu's visit should be seen against the wider canvas of changing strategic equations in the region after the September 11 attacks in the U.S.

Sources point out that the war against terrorism has not gone entirely in China's favour, despite the renewed spotlight on the Uyghur insurgency in its Xinjiang province. The war against terrorism has brought the U.S., with whom China's long term interests may clash, right at its doorstep. For instance, the U.S. has already established an air base in the tiny mountainous Central Asia republic of Kyrgyzstan, which shares a common border with China. The Americans have also moved closer to Uzbekistan.

Besides, the Chinese, according to sources, appear to be uncomfortable with the U.S. military

presence in Pakistan, its long-standing friendly neighbour. Reports here suggest that China is concerned about the possibility of the U.S. establishing a permanent military base in Jacobabad. "It is possible that China senses that it is being hemmed in by the U.S. after September 11. It remains to be seen whether this will open the door for greater cooperation with India," highly-placed sources said.

Not surprisingly, China, for the first time, has indicated that it may be ready to explore the possibility of trilateral cooperation with India and Russia as partners. "The signal is there but not is as yet not very strong. We would obviously like to discuss what China has in mind." China had earlier rejected the concept of trilateral cooperation that was first mooted in India by the former Russian Prime Minister, Yevgeny Primakov. Sources, however, clarified that joint effort by three countries to address specific common concerns, such as terrorism, is possible only after a high degree of political confidence has been established.

India and China, during Mr. Zhu's visit, may also like to give a political push to resolving their boundary dispute. Mr. Zhu's visit is likely to initiate the clarification of the Line of Actual Control (LAC) in the western sector. Sources acknowledge that China may show flexibility in the western sector, in case India is inclined to reconsider the status of Tawang in Arunachal Pradesh. As of now, India and China have eight areas of contention along their western frontier and six along the eastern border.

The Chinese premier will hold talks with his counterpart, Atal Behari Vajpayee, on Monday.

THE HINDU

14 JAN 2002

Zhu talks to cover Indo-Pak. tensions

By C. Raja Mohan

China
NEW DELHI, JAN. 12. The Chinese Prime Minister, Zhu Rongji, who arrives here on Sunday amid military tension between India and Pakistan, is expected to reiterate Beijing's strong commitment to stability and continuity in Sino-Indian relations.

Mr. Zhu's six-day sojourn in India is likely to confirm that despite the many efforts by Islamabad to display its very special political relationship with Beijing, China appears reluctant to be dragged into the current Indo-Pak. confrontation.

Mr. Zhu lands in Agra tomorrow and will interact with the top layer of the Indian political leadership on Monday and Tuesday. He is expected to review the regional and international developments as well as progress in bilateral economic cooperation.

The question of international terrorism in general, the implications of continuing American military operations in the subcontinent and the military tensions between India and Pakistan are likely to figure in Mr. Zhu's conversations in the capital.

India has noted with attention the political caution that has guided Chinese responses in the last few weeks to the unfolding Indo-Pak. crisis since the December 13 attack on Parliament.

Officials are also satisfied with the allround development of bilateral ties over the last decade and are confident that the current crisis in Indo-Pak relations is unlikely to have any negative impact on Sino-Indian relations.

China has maintained an apparent neutrality between the subcontinental rivals by refusing to make any specific pronouncements that

could be interpreted in New Delhi as being hostile to India.

This does not mean, from the Indian view point, that China is about to give up either its arms supply relationship or its "all weather friendship" with Pakistan.

The caution and reserve demonstrated by China in the last few weeks of Indo-Pak. tension does, however, suggest Beijing might not want to take sides in the confrontation between New Delhi and Islamabad.

"No single issue", officials here said, today impedes the forward movement of the bilateral relationship. The creation of a comprehensive framework for dialogue on all issues has brought a new maturity to bilateral relations, the Government believes.

Officials point to the comfortable pace at which the negotiations on the clarification of the Line of Actual Control on the long and contested border are proceeding.

The officials also point to the expanding economic dimension of bilateral relations and the "declining salience" of the contentious bilateral political issues such as the boundary dispute. Mr. Zhu, who is in charge of the economic policy of China, will also focus on deepening the bilateral cooperation between the two nations. He will also sign six agreements, including one on tourism.

Meanwhile bilateral trade has boomed in the last three years — moving at a rapid pace of nearly 30 per cent to reach nearly \$3.5 billion at the end of the last year.

Mr. Zhu will address the Indian business community in Mumbai and travel to Bangalore to familiarise himself with the information technology sector. The two sides have put behind them the recent controversy over the allegations against a Chinese telecom firm that had set up a base of operations in Bangalore.

MoU on S&T collaboration

By Our Special Correspondent

NEW DELHI, JAN. 12. Apart from bilateral discussions on terrorism, intensification of cooperation in the area of science and technology is expected to figure during the visit of the Chinese Premier, Zhu Rongji, beginning tomorrow. A memorandum of understanding to boost S&T collaboration is being signed on Monday. The MoU would set the stage for launching joint R&D programmes. Hitherto, scientific ties between the two countries were primarily confined to exchange visits by scientists and joint workshops.

China had particularly been keen on collaborating with India in the area of Information Technology, considering that while it was very strong in terms of hardware, India scored over it in terms of software. China had been wanting to marry the capabilities of the two countries for their mutual benefit. Apart from IT, collaborations in the field of biotechnology and the herbal products sector have been of particular interest.

12 JAN 1991

13 JAN 1991

China hopes India will seek solution through dialogue

BEIJING, JAN. 8. Urging close ally Pakistan to step up efforts to crack down on terrorism, China today hoped that India would seek a solution to the current crisis through dialogue.

"On the one hand, it is our hope that Pakistan will step up its cooperation with the international community in the fight against terrorism and at the same time, we also hope that the Indian side will take measures to seek a solution through dialogue and negotiations so as to avoid the further escalation of the tension in South Asia," the Foreign Ministry spokesman, Sun Yuxi, said. "We have noted that Pakistan President, Pervez Musharraf, has made it clear that he is opposed to terrorism and we have also taken note that Pakistan has taken some measures in this field," he said when asked to comment on India's demand that Gen. Musharraf make an open denunciation of terrorism being used as an instrument of State policy. On Gen. Musharraf's press secretary, Rashid Qureshi's statement in Nepal that China will support Pakistan in all eventualities, Mr. Yuxi said the Sino-Pakistani "all weather relationship" was not targeted at any third country. — PTI

THE HINDU
10 JAN 2002

China is upbeat on friendly ties with India

By Anil K Joseph

BEIJING: Ahead of Chinese Prime Minister Zhu Rongji's first official visit to India, Beijing has expressed confidence in propelling the friendly bilateral ties to a new high in 2002.

"At the turn of the new century, the potentials for developing the exchange and cooperation in every sphere by the two countries are great. There are good prospects to broaden such potentials," Chinese foreign ministry spokeswoman Zhang Qiyue said.

"On several major international and regional issues, both the sides have similar or close views, maintaining an excellent rapport," Ms Qiyue

said, ahead of Mr Rongji's scheduled visit from January 13.

"We are fully satisfied and confident about the prospects in Sino-Indian friendly, cooperative relations," she said. On bilateral ties in recent times, Ms Qiyue noted that Sino-Indian relations had had excellent development.

"Politically, both the countries could establish a relation of constructive partnership," she said, while pointing out that Beijing and New Delhi could achieve vital consensus on issues like each side not posing a threat to the other.

Ms Qiyue said high-level bilateral visits and personnel exchanges were continuing. "In the field of economy, cooperation between the two

sides is deepening day-by-day and bilateral trade is showing a growing trend. In the fields like science and technology and culture, Sino-Indian exchanges are highly active," she said.

On the border issues between the two countries, Ms Qiyue said these were issues left over by history, but both countries had achieved positive progress. "The overall situation in the border region is quite and stable."

On China's relations with India and Pakistan, she said, "Both are important countries in South Asia, having responsibilities to protect regional peace and stability. We hope that both India and Pakistan can promote peace and stability in South Asia." Ms Qiyue said. (PTI)

THE TIMES OF INDIA

4 JAN 2002

Zhu to plug decade-old gap

FROM PRANAY SHARMA

New Delhi, Dec. 31: Chinese Premier Zhu Rongji will arrive in New Delhi on a five-day official visit to India on January 13. Zhu's visit is the first by any Chinese Prime Minister in more than a decade.

The last time a Chinese Premier came to New Delhi was Li Peng in 1991. From the Indian side too, a Prime Ministerial visit to Beijing has not taken place since P.V. Narasimha Rao's tour in 1993. An entourage of 50 journalists will accompany Zhu to India, indicating the importance the Chinese have attached to this visit.

The Chinese Prime Minister is scheduled to arrive here from Dhaka on the afternoon of January 13. He will leave for Agra to see the Taj Mahal

the same day. His main official engagements, which include a delegation level talk with his Indian counterpart and host, Prime Minister Atal Bihari Vajpayee, will take place on January 14.

Zhu is also likely to interact with other key members of the Vajpayee government during his stay in New Delhi. He will leave on January 15 for Mumbai where he will have detailed interactions with the captains of Indian business and industry.

On the afternoon of January 16, Zhu will leave for Bangalore

to try and explore how the two countries could work closely with each other in the area of information technology. China is a leader in computer hardware, while India's strength lies in software development.

During Zhu's visit, India and China are likely to sign a number of agreements, including one on business and investment protection. The Chinese Prime Minister will stress mainly on enhancing economic cooperation between the two Asian

giants during his stay in India. However, given the timing of his visit, Zhu would also have to stress on the prevailing tension in South Asia and clarify China's stand on terrorism.

A close ally of Pakistan, China is on way to mending relations with India and has joined the international

chorus in asking the estranged neighbours to show restraint. Zhu, known better as a technocrat than a politician, will take this opportunity to ascertain the mood of the Indian leadership and try and convince New Delhi to settle its outstanding disputes with Islamabad at the negotiating table, rather than on the battlefield.

Pakistani President Gen. Pervez Musharraf recently visited China to enlist Beijing's support in its current brinkmanship with India. Though China asked both sides to show restraint, Bei-

jing had almost echoed the Pakistani line, describing Kashmir as the core issue between Islamabad and New Delhi during Musharraf's stay in China.

Not amused by the statement, India took up the matter with the Chinese leadership. Eventually, Beijing assured the Indian leadership that there had been no shift in China's stand on Kashmir: that India and Pakistan should sort out the dispute through peaceful negotiations.

China has opposed terrorism

since, over the past decade, Beijing has had to tackle this menace in its fight against the Islamist Uighurs in the Sinkiang province bordering on Afghanistan. During his talks with the Indian leadership, Zhu will have to clarify how Beijing regards the issue of cross-border terrorism. Zhu would also be asked whether, as a close ally of Pakistan, Beijing has advised the military rulers of Pakistan to desist from using terrorism as a tool against India.



Zhu

THE HINDU

1 JAN 2002