

India and China Agree on Set of Historic Accords

by Mary Burdman

Chinese Prime Minister Wen Jiabao called his April 9-12 visit to India “historic,” when he spoke to the Indian press after his extensive talks with his Indian counterpart Manmohan Singh in New Delhi. On both sides, the results of trip were considered to be even better than had been expected—and Wen Jiabao had said already in November 2004 that his visit to India was the most important diplomatic event on his agenda. The agreements reached were wide-ranging, dealing with overall relations, economic cooperation, and, most crucially, the long-standing border conflict between the world’s two most populous nations.

It seems clear that China-India relations are being seen by both sides in their strategic context. Wen Jiabao went to the four leading nations of South Asia: Pakistan, Bangladesh, Sri Lanka, as well as India, on this trip, emphasizing improving economic as well as political relations with all four. Then, during his final extensive discussion with senior members of the Indian press on April 12, the Chinese Prime Minister expressed China’s “positive view” of trilateral cooperation with Russia and India—the “strategic triangle” of Eurasian nations—on “issues of common concern.” Wen said that China, India, and Russia, as influential countries in the world, share “identical and similar” views on many issues. These issues include promoting democratization in international relations and safeguarding international security and stability.

However, he was also emphatic that this “cooperation and coordination” was by no means an alliance and not targeted at any other country. This statement was clearly taken with an eye to the reaction of the United States to the closer collaboration. As Lyndon LaRouche noted, these leading Eurasian nations are consciously making moves, knowing well the chaos which is weakening the George W. Bush Administration. But confrontation with the United States itself is not their agenda.

Resolving the Border Issue

Besides making steady progress toward developing a relationship based on trust, the highlight of Prime Minister Wen Jiabao’s trip was to ensure a speedy resolution of the Sino-India border dispute. Both sides decided to make “meaningful and mutually acceptable adjustments” to their respective positions on the boundary question to arrive at a “package settlement” which will be “final,” covering all sectors. This agreement was signed by Special Representatives for the boundary question, M.K. Narayanan, India’s National Security Advisor, and Chinese Executive Vice Foreign Minister Dai Bingguo. It said that both would give due consideration to each other’s “strategic and reasonable interests,” and the principle of mutual and equal security. The two sides agreed on a three-tier process, beginning with an accord on the guiding principles at the first stage, an agreed framework in the second, and actual delineation of the border in the third. Both sides will exchange maps as soon as possible. Another accord was a protocol on developing confidence-building measures in the military field along the Line of Actual Control (LAC), which has been completely peaceful since the early 1990s.

Narayanan said the agreement was “one of the most significant documents” signed by the two countries. The two sides have worked out an 11-point road map for resolving the disputed 3,550 kilometer border, which “shows a lot of give and take on both sides. . . . We are very hopeful that this document would be the starting point of a major process in the settlement of the boundary dispute between India and China.”

Critical to the achievement of this agreement was the fact that Wen’s delegation carried with it a map which showed Sikkim (an independent Himalayan Kingdom that joined the Republic of India in 1975, but which China did not recognize as a part of India until 2004), as a part of India. The 1962 border clash, which arose out of a festering border dispute,



Chinese Prime Minister Wen Jiabao places a floral tribute at the memorial to Mahatma Gandhi during his April trip to India. The visit saw new trade and other agreements between the two countries.

was the major part of the estrangement of these two large nations. According to most Indians, only the resolution of the dispute can lay the foundation for strong and meaningful India-China relations.

In September 1993, the late Indian Prime Minister P.V. Narasimha Rao, during his visit to China, signed an agreement on Border Peace and Tranquility, and set up the India-China Expert Group of Diplomatic and Military Officers to assist the Joint Working Group to resolve the border dispute. The process has been in progress for years and has not yielded much, but it has helped to maintain peace and tranquility along the borders. Then, in 2003, during Indian Prime Minister Atal Behari Vajpayee's visit to Beijing, it became evident that both sides were more than willing to progress speedily to strengthen economic and trade ties, and implicitly accept the existing status along the borders.

Expanding Economic Ties

The two sides called for increasing the bilateral trade volume "to US\$20 billion or higher by 2008," and noted that the ministerial-level India-China Joint Economic Group (JEG) "has also recommended an India-China Regional Trading Arrangement," as well as a Financial Dialogue Mechanism. The agreement covers cooperation "in the field of energy security and conservation, including, among others, encouraging relevant departments and units of the two countries to engage in the survey and exploration of petroleum and natural gas resources in third countries," and the importance of expanded military ties.

Indian Petroleum Minister Mani Shankar Aiyar himself proposed further cooperation in the vital field of energy. "There

has been no separate detailed consideration of energy cooperation between India and China, [but] in my interactions with Chinese officials [on the sidelines of the summit] I raised the issue of extending the Iran-India gas pipeline to South China via Myanmar," Aiyar said on April 11. This plan would extend the 2,600 km pipeline from Rajasthan in India eastwards all the way into Myanmar via Bangladesh and then on to China. Aiyar also said that India and China "have the option to compete or collaborate with one another to secure better deals" on oil and gas supplies.

India and China have done very well in recent years in their overall, as well as bilateral trade. China's overall trade in 2004 was close to \$1,100 billion, while India, not much of a trading nation, had overall trade of close to \$180 billion. But bilateral trade between these two giants, consisting of more

than 2 billion people, has remained a minuscule \$13.6 billion. Despite the fact that even the \$13.6 billion amount is a tremendous improvement over the \$3 billion figure in 2002, there is no question that both India and China will have to move into areas of export and import of machinery, machine tools, and other high-ticket items which they presently procure mostly from the West.

Reports indicate that Wen Jiabao and his delegation have proposed joint exploitation of the natural resources in Central Asian countries, through tie-ups with India's state-owned ONGC and Oil India, and setting up a oil and gas hub in Ladakh in northern Kashmir. It is evident that in such a joint cooperative effort, ONGC and Oil India can share their expertise in oil well exploration and cost accounting with the China National Petroleum Company, in return for Chinese investments and assistance with heavy equipment.

While both India and China should cooperate to open up new oil fields and assure oil and gas supply for their developing future, it is also important to note that the Bush Administration is making a geopolitical assessment of these developments, and putting into place arrangements to ensure control over maritime oil lanes across the world. On the other hand, both India and China have developed the full nuclear-fuel cycle, and both have great need for electricity to supply steady power to millions, and water desalination for domestic and industrial water uses for their growing economies. For a lasting and meaningful friendship, India and China have no choice but to move quickly into utilizing each other's strengths, and to maximize their scientific and technological capabilities.

One concrete result of the growing trade, is that both

China and India have begun renovating the historic Stilwell Road which was built in World War II to supply Yunnan province in southwest China from the city of Ledo in northeast India. The road runs 1,220 km via Myanmar to China. It has fallen into total disrepair in many areas, but when opened, will shorten the trade route—which currently has to go by sea—by almost 5,000 km.

The fundamental issue is the composition of trade. Primarily, China exports manufactured goods to India; India exports iron ore and steel to China. Wen Jiabao landed in Bangalore, India's high-tech center, and called for cooperation to create an "Asian Century in Information Technology."

Making History

When Wen Jiabao left New Delhi, he said the visit had produced "rich results," and everyone could see "all the smiles" on his face. Wen said that Dr. Singh had told him when they met on April 11, "We two are making history." When asked his own assessment, Wen Jiabao said: "It is better to say it is an historic visit. We all believe that China's stability and development is in the interest of India, India's stability and development is in the interest of China. The stability, development, and prosperity of South Asia is in the interest of the whole world." The two nations achieved three important results: First, was their joint statement on their strategic and cooperative partnership, which meant "we have actually taken this relationship to a new level," Wen said. Second, was the agreement on the boundary; and third, the five-year plan for the all-round economic cooperation and trade.

Of real importance to India, was Wen Jiabao's positive response supporting India becoming a permanent member of the United Nations Security Council. In his public statements, Wen Jiabao said that "China reiterates that we attach great importance to the . . . role of India in international affairs, because India is a very populous and important developing country. We fully understand and support the Indian aspiration to play an even bigger role in international affairs, including in the United Nations."

Wen Jiabao also said China has a "positive view" on India's cooperation with the South Asian Association for Regional Cooperation (SAARC), and welcomes cooperation between India and international organizations such as the Shanghai Cooperation Organization and the "10 plus 3" (The Association of Southeast Asian Nations plus China, Japan, and South Korea).

Wen Jiabao met all of India's top leaders, including President APJ Abdul Kalam, United Progressive Alliance leader Sonia Gandhi, and opposition figures. He warmly invited Manmohan Singh to China, for which visit the latter is reported to be "very keen." It is possible the visit will go ahead already this year. Chinese President Hu Jintao has been invited to India, and that visit might also occur this year, although no plans or dates have been decided.

Wen often went beyond his written texts to express politi-

cal support for Indian-Chinese relations. Speaking to students at the Indian Institute of Technology, he extensively quoted Mahatma Gandhi, Nehru, the great poet Tagore, and Deng Xiaoping, and referred to Chinese Buddhist monk Huan Tsang's historic "Journey to the West" to India in 629 A.D., a journey recorded in one of the great classics of Chinese literature.

A Strategic Partnership

Before Wen Jiabao left Beijing to travel to Pakistan, the first stop on his trip, on April 5, India Prime Minister Manmohan Singh had sent him a letter saying: "As the world becomes increasingly interdependent, it is important for our two countries to join hands to harness the positive forces of globalization and safeguard the interests of the developing countries." This is also the 55th anniversary of the establishment of diplomatic ties: India, under the leadership of Jawaharlal Nehru, was one of the very first nations to recognize the Peoples Republic of China. "Both India and China share the aspiration to build a just, equitable, and democratic international political and economic order on the twin pillars of multi-polarization and multilateralism," Singh wrote. "As two of the world's largest developing economies, the tasks that we face are profound, but our determination is resolute."

Prof. Ma Jiali of Beijing's Institute of Contemporary International Relations, one of China's leading scholars on India, told *EIR*, that China was already "attaching high importance" to Wen's trip to all of South Asia. There will likely be a comment in the two leaders' final communiqué, on creating a "new world order." Both sides "want to see a just and fair" world order, Professor Ma said.

In New Delhi on April 11, the two leaders signed an agreement to establish a "Strategic and Cooperative Partnership for Peace and Prosperity." The Joint Statement said they "agreed that India-China relations have now acquired a global and strategic character." The Joint Statement says the leaders "reached broad consensus on bilateral relations and international and regional issues of common concern. . . .

"The two sides . . . agreed that India-China relations have entered a new stage of comprehensive development." They expressed "satisfaction that . . . the process of building trust and understanding has gained momentum. Rapid growth of trade and economic cooperation has been coupled with the expansion of exchanges and cooperation in other fields." The Statement notes the "breakthrough" visit of June 2003.

The "India-China Strategic and Cooperative Partnership for Peace and Prosperity . . . is based on the principles of Panchsheel, mutual respect, and sensitivity for each other's concerns and aspirations, and equality; provides a sound framework for an all-round and comprehensive development of bilateral relations based on mutual and equal security, development and prosperity of the two peoples; and contributes to jointly addressing global challenges and threats."

Ramtanu Maitra contributed to this article.