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Pre-requisites	
Objectives	This module will apprise the readers to the various issues of disputes between India and China. Various stages of their relations will be analyzed in detail. Important questions and suggested readings have also been attached in the end of this module.
Keywords	India-China Relations, Golden Era, Period of Conflict, China-Japan War, Communist China, Korean War, Issue of Tibet, Panchsheel, Indo-China War, Joint Working Group, Border Dispute, Nuclear Programme.
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Evolution of the Discipline	

Role	Name	Affiliation
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Module-6

India-China Relations

Structure of the Module

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1. Introduction

After Pakistan, China is the second country in India's neighborhood with which India has strategically important foreign relations. Whereas legacy has played an important role in India's relation with Pakistan, its role in our relation with China has been minimal. After leaving behind the British period experiences with china, India has started a new chapter in bilateral relations. These new relations between the two nations are based on their role and perspectives in the new international set-up. Historically, in ancient times, India and china were two main civilizations that co-existed. Later, the influence of imperialistic powers ended these cordial relations between the two. However, the leaders of Indian freedom movement were not unaware of China's importance, therefore, Indian national congress on various platforms criticized British policies against China. In 1931, when Japan invaded Manchuria, India stood by China and even celebrated "China day" as a symbol of support. In 1927, during Brussels conference of oppressed nations, both emphasized the importance of Indo-China cooperation and opposed the forces of imperialism in Asia. In 1937, during China- Japan war, India stood by china. After the establishment of Communist China in October 1949, India was second non-communist country after Burma to give recognition to it. With this background, the possibilities of cordial relations between two countries cannot be ignored. A Golden period with slogan 'hindi chini bhai bhai' descended upon two countries. However, it ended very soon, and both experienced the brutalities of war and remained in a no relationship status for a long time. Again the relations improved and the process is continued till date. Both the countries have gone through a period of conflict and cooperation. Future will depend upon their mutual internal and external outlook.

2. Objectives

This module will apprise the readers to the various issues of disputes between India and China. India and china have been two main ancient civilizations that co-existed. Later, the influence of imperialistic powers ended these cordial relations between the two. This module will enquire the causes of bitterness between the two. Various stages of their relations will be analyzed in detail.

All the issues of dispute between the two will be highlighted in this module. The areas of cooperation will also be discussed. Discussion on various treaties, agreements and high level visits will also form the part of this module. Important questions and suggested readings have also been attached in the end of this module.

3. Various Stages of Relations

For proper assessment and prediction, their relations need to be analyzed and evaluated. Their relationship can be studied in the following six stages: - (1) Golden Era, 1949-58. (2) Period of Conflict, 1959-62. (3) Period of No Relations, 1963-76. (4) Period of Dialogue, 1977-88. (5) Era of Cooperation, 1989-98. (6) A New Beginning of Cordial Relations, 1999 Onwards.

3.1. Golden Era

The first decade of India-China relationship was of brotherhood and cooperation. The bond was so strong that the period is known as Golden Era. These relations were based on following reasons: -

- India was the second non-communist country after Burma who recognized China after the communist revolution. It not only recognized it but also made efforts for its membership in UN. Despite America's opposition, India left no stone unturned in helping China finding a place in international conventions and organizations.
- Besides approving and supporting communist china, India adopted some other activities also in such a way that they forced both the countries to make friendship. The following four steps taken by India helped in strengthening the relations between the two nations--- (i) India opposed United Nations proposal of declaring China as intruder in relation to Korean war in February 1951 and supported Chinese policies; (ii) In September 1951, during San Francisco Conference, India refused to sign the peace treaty with Japan as China was kept away from this treaty. India was of the opinion that peace efforts in Far East will be useless without the participation of China; (iii) in 1953 at UN council, India gave a proposal for prisoners of war keeping in view the Chinese policy; and (iv) India supported the merging of Famosa and some other islands into China. Such initiative from Indian side forged the friendly relations between the two nations. China also reciprocated by supporting India's perspective in case of Goa and Kashmir.
- The friendly relations between the two countries reached the climax when both signed an 8-year agreement on trade and mutual exchange in the context of Tibet. This agreement has reference of Panchsheel also.
- Both countries were having the similar views on world peace and other international issues. Both were against the imperialism and colonialism, and were in favor of maintaining the freedom of newly liberated countries of Asia and Africa.

- The courtesy visits during this period by the leaders of both countries also played their role. The visits of prime ministers of both nations helped to increase cooperation and benevolence on the one hand, and provided the opportunity to the leadership to understand each other's view on the other hand. During the period from June 1954 to January 1957 Indian Prime Minister visited China once (19-28 October 1954) and Chou En Lai visited India four times. Besides, there were other official level visits.

The above cooperative tendencies do not mean that there were no differences between both the countries during this period. However, amid all these signs of cooperation both had differences on the following issues-

- The issue of Tibet was like a bone of contention between the two. With the rise of communist government since 1949, China was trying to merge Tibet into China. On the other hand, India, was having the following rights in the region in 1947:- (i) Keeping Indian agents in Lhasa; (ii) Establishing trade agencies in Gyantse, Gantok and Yatung; (iii) Keeping post and telegraph office in trade routes to Gyantse; and (iv) keeping a small unit of army in Gyantse for vigil on trade route. The communist China declared Tibet as its territory. India was ready to surrender its rights in Tibet and acknowledge China as sovereign power but keeping Tibet as an independent unit. However, defying Indian sentiments China launched military action against Tibet on 25th October, 1950. This strained the relations between the two. An effort was made to solve the clash of interests between the both through the agreement of 1954 but Tibet faced an insurgency in 1959 and China tried to crush it by using power. As a result, 14000 people from Tibet, along with Dalai Lama took the asylum in India.

- The second issue of dispute was regarding the boundaries of the two in their respective maps. In 1950-51, China depicted nearly 50 thousand square miles of Indian Territory in its map as a part of China. India opposed this. China gave a plea that it was prepared by previous government. But after four years, similar maps raised the controversy. On August 21, 1958, India again raised the objection but China denied to change it. Thus, Chinese activities have always been suspicious, and its expansionist policies have always been a matter of concern for India.

- Bandung convention of Asian and African countries also saw the birth of mutually conflicting views of the two nations. India has always aimed at strengthening the politics in greater Asia and Africa by giving China a due place. But contrary to that, China used the convention to establish its hold over Asia, in the politics of cold war and in probable Chinese-Soviet Union conflict. Consequently, at the end of convention both emerged as competitors instead of emerging as one unified power in the politics of developing nations.

During this period, India had doubts about China but these were not very prominent, so overall, the period was a golden era of friendly relations between the two.

3.2. Period of Conflict

Due to the revolt of 1959 in Tibet, and consequently, Dalai Lama's refuge in India, the relations between the two became strained, and after 1962 Chinese attack on India, turned very complex. So the period between 1959-62 was a period of rising conflicts (especially boundary conflicts) and war. China claimed that the war was a consequence of India's expansionary policies and collusion with imperialistic powers. India refuted both charges leveled by China by saying that firstly, India recognizes Tibet as an independent state under China and second, as per 1954 agreement, India has given up its additional national rights in Tibet.

In the year 1958-59, China started infiltration in Indian territories. In 1955, China constructed a national highway in Aksai Chin area. In 1958, China captured some areas of India by infiltrating into Ladakh. In 1959, Chinese soldiers clashed with Indian soldiers. Initially, Nehru ignored it stating it an inaccessible terrain but later worries of Indian policy makers increased. The two nations had confrontation on the issue of control over the Barahoti area in Central Asia. The area was in Indian side, yet China repeatedly expressed its control over the area. On eastern side, China captured India's larger area. After that, in order to establish control over the MacMahon Line, India started consolidating its posts in the NEFA area under its 'Forward Policy'. China opposed all such movements. To solve these conflicts, China suggested 'give and take policy' but Nehru stressed on determination of borders logically rather than 'gives and takes policy' in western and eastern areas. In October 1962, China attacked India on large scale. Prior to full fledged attack; China encircled Indian military posts in Galwan river valley in Ladakh in western area. On eastern side, it entered Indian territory by crossing McMahon line on 8th September. On October 20, 1962, fierce war broke out at the two fronts. After capturing large areas on both the fronts, China declared one sided truce. On October 24, China suggested a three point formula in response to which India suggested to maintain status quo on border issues as was on 8th December, but both could not convince each other

To deal with the situations that arose out of war, six countries of Africa and Asia (Burma, Cambodia, Sri Lanka, Ghana, and Indonesia) met during 10th to 12th December 1962 at a summit in Colombo. They gave some suggestions to resolve conflicts. After some clarifications on the proposals, India accepted them and China agreed on them in principle. So the issue of regions captured by China was left to be resolved later through dialogue.

Indo-China war had both present and future consequences which were as follows--- (1) the relations between India and China nearly ended and large part of India was in Chinese possession. (2) Taking advantage of this conflict, relations between Pakistan and China improved. (3) India's international reputation and its non-aligned image were badly hurt. (4) Nehru's world peace plans came to end. (5) India's foreign policy became more practical and objective than idealistic. (6) India's relations with western countries, especially with America, improved. (7) After some inhibitions, Soviet Union also agreed to take India's side in Indo-China conflict

3.3. Period of No-Relations

This third phase of relations between the two was of approximately 15 years duration, and can be termed as a period of 'no relations'. Though the two did not end their political relations but both called back their ambassadors. India was the first to initiate it to show its displeasure against China's war initiatives. During this long period, the most important issue was border problem that remained as it is. In March 1963, there was correspondence among the two but could not lead to any solution. China did not support India's intention of taking this matter to international court. So the situation remained as it is.

The relations between the two became worse due to increasing intimacy between Pakistan and China. China took advantage of India's strained relations with Pakistan and occupied 5180 square kilometre area of Pak Occupied Kashmir under an agreement with Pakistan in 1963. In 1964, there was a major change in Chinese position and it became a member of the club of nuclear powers. This made China more rigid. Though in the same year, China invited India to participate in a Science Conference which was declined by India.

In the decade of 70's, this situation became all grave. Pakistan and America became allies. Their main objective was suppression of India and Soviet Union. Secondly, due to its relations with America, China became a permanent member of UN. In this background, tension in South Asia due to internal war in eastern and western Pakistan, increased which led to 'treaty of friendship and cooperation' between India and Soviet Union in 1971. After that, China invited India to participate in Tennis Tournament of Afro-Asian nations. Before this, in April 1971, China invited Hong Kong based Indian Commerce Commissioner to participate in Cotton Trade Fair. India sent its teams to participate in the tournament. But after 1974 nuclear tests by India and 1975 merger of Sikkim in India, the rift between the two again surfaced. Immediately after Chinese teams visited India to take part in sports, some Indian media persons also visited China. In April 1976, India appointed K R Narayanan as its ambassador to China after a gap of 15 years. China reciprocated after some days. So the period of no-relations between the two ended.

3.4. Period of Dialogue

The period between 1976-88 is known as a period of new beginning between the two nations. This period was a period of normalization of relations. Mutual appointment of ambassadors was an indication that both were willing to improve relations. This process was further strengthened due to the changes in internal and external policies of the two nations. In this period, policy makers of both the nations changed. The relations between the two were affected by many internal and external factors like--- (1) China's role in world politics got bigger and was acclaimed internationally. (2) Another important factor was the increasing gap between India and former Soviet Union and increasing proximity between China and Soviet Union. (3) Sino-American relations became strained. India already was having strained relations with America, so India and China came closer to each other

Above external and internal changes in both the countries started reflecting through mutual dialogue, courtesy visits, and exchange. All this had a very positive outcome. Both broke their silence and started a period of dialogue. Starting from 1981 to 1987 the representatives of both the nations had 8 major rounds, of dialogues (July 1981, December 1981, May 1982, October 1983, September 1984, November 1985, July 1986, November 1987), alternatively in their capitals. In these rounds both presented their clarifications and suggestions. This helped in ending misconceptions among the two. It strengthened the conditions necessary for building confidence for improving relations. This confidence helped in paving the way for resolving many complex issues. These dialogues provided a strong base over which the edifice of cooperation and courtesy could be built.

From the above facts we cannot conclude that the period was without any issues between the two. Contrary to this, during this period, India and China had opposite views on two major issues. The first issue was of Chinese infiltration in Samdorang chu valley in Bagdong area. The second point of controversy between the two was issue related to Arunachal region.

The period during 1976 to 1988 was very crucial from the point of view of cementing of relations between the two. In this period, there was progress on two important fronts. One was end of a long period of 'no relations' and other was beginning of a series of confidence building measures for mutual co-operation. Though such dialogues could not resolve border issues, yet there were many other positive effects which led to the proximity between the two.

3.5. Period of Cooperation

The period during 1989-1998 was of important and effective relations between the two nations. First, both shredded the neutrality in relations and stepped towards more dynamic relations. Second, both decided to have all round development of relations. Third, both acted more realistically and took relations forward in a mature way. Therefore, in view of changing economic environment and internal situations, the leadership in both the countries tried to improve the relations with all sincerity.

The improvement in relations between the two during this period was mainly due to various international events, internal situations and change in mutual outlook. Following were the main reasons behind this:-

- The change in outlook of both was mainly regarding the American foreign policy. In the first half of 1980's, America included human rights as an integral part of its foreign policy. On this basis it criticized China in 1989 over Tiananmen Square incident. In case of India, it raised human rights issues in relation to Kashmir and Punjab. India's silence on Tiananmen Square incident was a proof that India did not want to annoy China, and at the same time, wanted to maintain a distance from America on this issue. So it was natural for both to come closer.

- Second reason was disintegration of Soviet Union in 1991. This disintegration ended China's main opponent, but at the same time India lost one faithful friend. So it became imperative for India to improve relations with China. Moreover, India lost its 20% export market, so it had to look for new trade relations. So, disintegration of Soviet Union increased the possibilities of cooperation between the two.
- In post-cold war politics, the proximity between the two in the face of new world order is natural as both are home to 40% of world's population. Therefore, to build a new justifiable world order, both have considerable similarity of thought due to which setting of cordial relations between two was natural.
- Due to expenditure on defense and economic arrangements, the friendship between the two became intense. On account of economic constraints, India's defense expenditure was decreasing day by day, and was only 2.8% in relation to per-capita income. Therefore, for securing its borders, India will have to maintain cordial relations with its bordering countries. Similarly, China can run its four modernization programmes only if there is stability and peace at its borders.
- Another reason for improvement in relations was change in China's outlook over India's policy towards its neighbors. During 1950-60, China considered India's policies towards its neighboring nations as expansionary, but in the first half of 1980s situation was entirely different.
- In the post-cold war politics, economic aspects became more important than political. In this context, new trade possibilities with all nations have emerged. It has led to the birth of mutually beneficial bilateral economic and trade relations in these nations.
- In this new world order, both were worried over UN role. China was worried because after gulf war, due to America's dominance, UN was no more an objective organization. The major part of its activities was serving American interests. On the other side, India wanted the favor of China for its permanent membership in UN Security Council. Therefore, both the countries were equally worried over UN role. So there were possibilities of friendly relations between the two

The above reasons led to development of friendly relations among the two nations. For steering the relations in right direction, the political leaders of both the countries visited each other's nations. These visits led to some solid outcomes. Mainly Rajiv Gandhi's 1988 visit provided a stimulus to the relations between the two nations, which were strengthened by the courtesy visits of the subsequent leaders.

During Rajiv Gandhi's visit, the most important thing to solve border issue was forming a 'Joint Working Group' (JWG). Indian foreign secretary and Chinese Deputy Minister for foreign affairs led this group. This group had two main functions: - (1) to give suggestions for solving

border issues within a time limit. (2) Maintain peace along the line of control. For this, the group met every six months alternatively at the capitals of two nations.

In case of bilateral issues, three important agreements were signed— (1) both nations agreed to cooperate in the field of science and technology. (2) Both agreed to provide civil aviation services to each other, especially in the form of direct flights between Delhi and Beijing. (3) There was a 2-year agreement on cultural cooperation which had provision to be renewed for 5-5 years. Therefore, Rajiv Gandhi's visit proved a mile stone in many ways and took the relations between the two nations to a new level. These courtesy visits continued during the period 1988-1991, which helped in understanding each other's point of view.

In the same period, there were some unprecedented incidents of cooperation in the field of defence which further improved the relations between the two nations. In 1990s, representatives of India's National Defence College visited China, in response to which in 1992, representatives of China's National Defence University visited India. An important initiative was also taken in the field of academic and defence studies. The experts of Delhi based 'Institute for Defence Studies and Analysis' and 'Beijing War Studies Institute' visited each other's nations. After these visits in November 1993, Chinese army ship arrived at Mumbai port and Indian ship reached China's port after a gap of 40 years. Despite these improving relations, difficulties arose when China supplied M-11 Missiles with 300 km striking capacity to Pakistan. However, due to goodwill between the two, this incident could not hurt the relations.

For giving a momentum to confidence building measures, Chinese Prime Minister Le Peng visited India in December 1991. He was the first Chinese Prime Minister to visit India after a gap of 31 years. This visit strengthened confidence building measures and led to development of political cooperation. Both expressed their belief in the principles of Panchsheel and agreed upon equal participation in new world order, disarmament, reduction in North South differences, following UN Charter and respecting human rights by all nations. To increase mutual trade, three trade agreements were signed. In this way, this visit encouraged trade and confidence building measures.

In May 1992, Indian President R.Venkatraman went on a six days tour to China. During this visit, the leaders of both the nations expressed satisfaction over the working of 'Joint Working Group' and agreed upon principles of Panchsheel in mutual relations. So this visit helped in improving relations between the two. Indian Prime Minister P.V.Narsimhan Rao's visit was termed as a mile stone in this direction. This visit strengthened Rajiv Gandhi's initiative. Rajiv Gandhi tried to improve relations by keeping aside the border controversy and this visit helped in signing crucial agreements for solving border problems, which aimed at providing 'mutual and equal' security. During this visit, a nine point agreement was signed relating to line of control. This visit helped in strengthening the peace process near border. Though it is beneficial for both to maintain status quo and peace at the border, yet both the governments were not ready to accept

the validity of this. Through above agreement, though not permanently but temporarily, both agreed that 'line of control is present border line'.

During November 28-30, Chinese President Jiang Zemin, along with his commerce minister, Wu Yi, visited India. This visit was crucial for trade as well as political relations, because besides being President, Jiang Zemin was also the Chief Secretary of Communist Party of China, and Chairman of Army Control Commission. During this visit, both nations signed four crucial agreements of which line of control agreement for confidence building is important from the point of view of war on two accounts--- (1) this agreement is related to only line of control and not the entire border conflict. (2) Under this agreement for maintaining peace at line of control, there is provision of keeping a special number of weapons at border. Besides above agreement, through other three agreements, both will make efforts in the field of capital investment, ships and diversification of relations. In this way, this visit led to confidence building measures and improvement in trade and political relations.

During 1988-1998, due to above courtesy visits and agreements, there were improvements at three levels: - (1) Strategic; (2) Exchange and Institutional; and (3) Improvement in Trade relations. Strategically, in case of India and China, establishment of 'Joint Working Group' led to various confidence building measures. The improvement in these relations affected improvement in transportation, exchange and institutional relations. Courtesy visits of political leaders, transactions between the civilians and higher army officials, travelling of people to each other's nation and visits of strategic analysts are some of the examples. Mutual exchange between news agencies and radio and television programmes of both nations also started. Cooperation in different areas like education, technology, language, teachings of Buddhism, syllabi books, scholarship etc, increased. Mega festivals were arranged by China in 1992 and by India in 1994, in each other's nations. Besides, the notable achievement of this era was development of economic relations between the two nations. Due to these improvements, trade is continuously increasing between the two

Though, the nuclear tests by India on May 11 and 13, 1998, caused the deadlock in the relations between the two but due to certain economic and trade factors, this did not lead to the tension. And both termed this dead lock as temporary. Both were not in favour of distancing the relations.

3.6. A New Beginning of Cordial Relations

Due to international and bilateral compulsions, the gap of relations between the two was not prolonged, rather a period of cordial relations initiated. After ten months, the dialogue between Chinese and Indian officials started in Beijing. In these years, besides official level transactions, prominent leaders of both the nations started mutual visits which helped in re-establishing the cordial relations between the two.

The goodwill and agreements resulting from these bilateral visits increased intimacy between the two. Firstly, in June 1999, Foreign Minister Jaswant Singh paid a high level visit to remove the

differences that emerged after Pokharn-II. After this, both re-started the process of strategic dialogues. In March 2000, the first round of group discussions started between the two. The visit of Indian President K.R.Narayanan in May-June, 2000 was strategic on emotional as well as practical grounds. No controversial issues were raised during this visit, as this was on the occasion of golden jubilee of diplomatic relations between the two.

In response to these visits, the prominent leaders from China Li Peng (January, 2001) and Prime Minister Zhu Rongji (January, 2002) visited India and took the relations forward. During this visit, Li Peng highlighted the problems of multi polarization and globalization and hoped for Indo-China cooperation. Besides this, China, while expressing belief in the principles of Panchsheel stressed on increasing trade and economic co-operation like good neighbors.

Prime Minister Atal Bihari Vajpayee's China visit during June 22-27, 2003, was crucial. During this visit on June 23, besides signing a prominent document on 'principles of relations and comprehensive cooperation' for developing 'new partnership', both signed on 9 other agreements. Chinese Prime Minister Wen Jiabao's India tour during April 9- 12, 2005 strengthened these efforts. During this visit, China approved Sikkim as a part of India and presented Chinese maps. Both the nations signed on 'strategic and cooperation partnership for peace and development'. For the first time, besides cooperation, both nations included strategic partnership in the mutual cooperation initiatives. Both expressed their consent over 11-points Directive Principles for solving border issues. Besides, consensus was built on steps to increase air services, free trade agreements, and data on rivers, infantry credibility and joint film production among the two nations. It was decided that year 2006 will be celebrated as Indo-China Friendship Year. Taking forward the initiatives of cordial relations, Chinese President, Hu Jintao and Indian Prime Minister Man Mohan Singh visited each other's countries in November 2006 and January 2008 respectively. The Chinese President came to attend the closing ceremony of Indo- China Friendship Year and signed on 13 important agreements with India, of which provision of hot line for direct contact among the foreign ministers of both the nations and opening of additional embassies in Kolkata (India) and Guangjhu (China) was prominent. To accelerate these efforts to improve the relations between the two, Indian Prime Minister, Narendra Modi Visited China during 14-16 May 2015. During this visit, both the countries signed 24 agreements. Chief among them are Protocol for establishment of consulates in Chengdu and Chennai, Cooperation in vocational education, Cooperation between Foreign Ministry and Central Committee of Communist Party of China (CCCPC), Action plan between national railway administration of China and Indian Railways, Cooperation in the fields of mining and minerals, Space cooperation etc.

Above visits, exchanges, and changing regional and international scenario had a very positive impact on economic, strategic and political sectors of both the nations. Therefore, during this period there was considerable development of cooperation and mutual coordination between the two. This was clearly visible from the steps taken by the two in different sectors and their mutual similar views.

On economic front, bilateral trade between both is continuously increasing which is evident from the steps taken like acknowledging the importance of 'Joint Economic Group', formation of a 'Joint Study Group', issuing the 'Joint Declaration Letter', cooperation in the activities of WTO and consent on including China under Bangkok agreement. Both nations agreed to increase trade from 5 billion dollars to 10 billion dollars by 2005, and to be increased to 40 billion dollars by 2010. For investing capital in India, China created a special fund of 500 billion dollars.

Development of cooperative attitude at economic, strategic and political level did not mean that now there were no conflicts or difference of opinions between the two. Even today, both have different opinions and methods on some issues. Some important differences are as follows:-

- In case of trade, the two do not agree on many issues. There are many problems between the two which need to be addressed urgently. The main hindrance of Indo-China trade is of trade balance. The trade balance remains against India which needs to be removed.
- There are some structural problems also in business transactions like nonavailability of Chinese documents in Hindi or English language; China's non transparent attitude on standardization; role of middleman in trade related documents of Chinese entrepreneurs; demand of assurance letters by Chinese companies before starting any work; not giving enough opportunities to Indian banks for working in China, etc.
- Both have difference of opinion over investing capital in India. The Chinese entrepreneurs believe that they face undue partiality in India. They have to renew their visa after a few months. In the name of the national security, many contracts are not given to them. In 2002, not even a single Chinese investment proposal was accepted. Besides, India registered 30 anti dumping cases in WTO, out of which 14 were against China. One case was regarding needles of industrial sewing machines supplied by China, which was later dropped. So a normal Chinese capital investment fund of just 500 million US dollars was considered symbolically important.
- The Indian Prime Minister stressed upon attaining an important position in world trade through cooperation in hardware (China) and software (India) in the area of information and technology. Some Indian entrepreneurs are worried over this as they believe that after learning software technology from them, China will dump cheaper products in their markets which will harm India.
- Though both nations are talking of military cooperation in strategic sector, yet in nuclear sector there is much difference in the capabilities of the two. India cannot come at par with China. Moreover, the situation has become tense after China's exports of weapons to Pakistan

So in this era, the Indo-China relations that were in a declining phase have moved towards 'a new partnership'. For their future relations, the most important issue is of solution the border conflict. Unless the issue between the two is resolved, the long run stable cordial relations between the two cannot be imagined.

4. Problems

- Despite above improvements in relations, both have conflicts over many issues. India has blamed China for encroaching 30,000 sq km of its land in eastern and 5000 sq. kilometer in the western region. In the middle region, controversy is over autonomy of Tibet. China wants to solve this border controversy on the basis of one time agreement in Eastern and Western regions. China had given such suggestions in 1960 and 1980. But India wants to solve this problem on region by region method. Despite these problems, due to practical attitude in last few years there is tranquility over the border issue. Its future will depend on Joint Working Group and China's cooperative attitude, as India has already compromised enough under 1954 and 1993 agreements.

- The second point of conflict is about Tibet's position. Dalai Lama and his associates are present in India in large numbers. This fact has always been painful for China. Though under 1954 agreement and later in its speeches India has accepted China's rights over Tibet, yet the two causes of this controversy exist even today--- (i) India wants that Tibet's autonomy should be retained. (ii) In view of Dalai Lama's international respect, India cannot ask Dalai Lama and his associates to leave India against their will. Unofficially, people of India and even at official levels, there is acceptance and sympathy for them.

- The third important issue is related to supply of weapons to Pakistan by China and its support to Pakistani nuclear programme. The issue of supply of M-11 missiles with a striking capacity of 300 km. to Pakistan by China requires special mention. Besides other sources, Pakistan's nuclear programme is supported by China also. According to some assumptions, Pakistan conducted its nuclear tests in China's Lopnor region. Besides, China has also supplied to Pakistan the magnetic rings that are used in making atomic bombs. This also indicates that Pakistan's nuclear power will be used against India only. So this is a matter of concern for Indian policy makers.

- Another problem between the two is supply of weapons to Myanmar by China. It is believed that China has been supplying large quantities of weapons to Myanmar which reach to the Maoists in North Eastern region in India, and become a danger for India.

- Despite increasing cooperation in economic sector, due to some basic reasons there are many obstacles in the path of cooperation. The trade and economic progress of both will be affected if these obstacles are not removed. There are following economic problems between the two:- (i) Firstly, there is lack of trade structure in the trade relations between the two. Without this, there cannot be strong trade base between the two. Lack of shipping agreements, lack of proper banking facilities and absence of any arrangement for security of capital investments are the hurdles. (ii) The second problem related with trade is regarding volume of trade. Expensive or special goods are out of trade circle and it is important to include them in the trade. (iii) Another problem related with trade is of capital investment

and establishment of joint ventures. There is complete lack of capital investments in both the nations.

5. Conclusion

The above problems do not indicate that the two are in a position of confrontation or conflict. Both have differences but there are possibilities of improvement. Both are trying to normalize their relations, and to some extent, succeeded also. Over all, the relations between the two have gone through many ups and downs. There have been phases of friendship, conflict, no- relations, and normalization between the two. After the first decade of cordial relations, the two became hardcore enemies due to 1962 war and then for a long period of 15 years both passed through a phase of 'no relations'. Due to change in internal and international environment, a phase of dialogues and a 'new beginning' of normalization of relations between the two started. During 1988-98, this was accelerated, and as a consequence, keeping aside their border issues, both have done considerable progress in improving economic, cultural, business etc. relations. After the formation of joint working group, it was decided to solve the border conflict within given (2 years) time period, but now it does not look like this. Due to many confidence-building steps, there is peace and stability at borders. After 1998 nuclear tests, there was temporary deadlock in the relations between the two. In February 1999, after the dialogue at bureaucratic level, this problem was also solved. In true sense, it is important to resolve border conflict and other issues to improve relations. Therefore, some solid steps will have to be taken. India has already given its indications in its sound initiatives of 1988 and 1993. Now it is China's turn to take some liberal steps.