Reflections on the 1962 India-China Conflict

Summary of Discussions at a Roundtable

organised by the Indian Council of World Affairs

and

the Institute of Chinese Studies, Delhi

07 December 2012

Introduction

The Indian Council of World Affairs and the Institute of Chinese Studies, Delhi, collaborated to organise a Roundtable on 7 December 2012 on the theme - “Reflections on the 1962 India-China Conflict.” Divided into four sessions, the discussions at the Roundtable covered several dimensions. A total of forty experts from various sections participated. What follows is a brief summary of views expressed, for which participants alone are responsible.

Inaugural Session

AMBASSADOR RAJIV K. BHATIA

- Amb. Rajiv K. Bhatia opened the proceedings by posing seven questions as a trigger for the Roundtable discussion.
  - Would it be possible to agree on how to characterize it: conflict, border war, war, India's China war, China’s India war?
  - What led to it – boundary dispute, deep distrust and misunderstanding, larger political competition and clash of ideologies, foreign policies, leaders and leadership styles, or international politics?
  - Was it avoidable or was it inevitable?
  - Who was responsible for it? Can we scientifically apportion blame among “the guilty men of 1962?”
  - Is another armed conflict between India and China conceivable in a generation?
  - What are the lessons from it for India? Have we learnt them? Has China learnt them?
  - Have scholars studied the subject adequately? Is there scope for more research, more publications? What could the ICWA do to help, in this context?
PROF. ALKA ACHARYA

- The 1962 conflict was a defining moment in India-China bilateral relations. But, it is also necessary to take an International Relations Perspective to understand it.
- The conflict took place during a specific phase of the Cold War and at the juncture of two crucial developments namely (a) seemingly imminent collision of the two superpowers in Cuba and (b) commencement of the split in the Socialist bloc. These dimensions have not been given due cognizance in most studies hitherto.
- Thereafter, political and strategic shifts took place at international and regional level that affected India-China bilateral relations. With the breakdown of Sino-Indian relationship, there was a clear shift in the foreign policy of both India and China which in turn contributed to the regional and global dynamics.
- Very few in-depth studies have emerged in India about 1962 conflict. Research in India has not moved very far as far as crucial areas related to the conflict are still shrouded in secrecy. There is a convincing case for undertaking a holistic study of 1962 conflict – more importantly, archival material must be explored.

MR. GAUTAM BAMBAWALE

Mr Gautam Bambawale, Joint Secretary (East Asia), Ministry of External Affairs, Government of India (GOI) participated in the Roundtable discussion.

Session I - Pre and Post Conflict

AMB. ERIC GONSALVES (CHAIR)

- India’s independence in 1947 and China’s unification under the Communist party in 1949 fundamentally changed the Asian power matrix. The leadership of the developing world and of Asia did become a source of competition that soon overshadowed early efforts to cooperate between the two Asian giants. The retreat of Western empires elsewhere in Asia, the consequent territorial disputes, the bitter Sino-Soviet split by the end of the 50s, as well as domestic political problems all played their part in the drift to open hostility.
- The unsettled boundary was a major contributor as both countries found their security concerns made it necessary to move into territory claimed by the other. The claims to Tibet by the PRC Government on the boundary did not differ materially from those of its predecessor. However, they decided to exercise effective control. After moving in security forces the process of dislodging the existing regime and elite was gradually set in motion. The Dalai Lama fled from Tibet and was granted asylum in India in 1959.
- The Indian Government sought to mediate but found it had little leverage against an assertive Chinese presence. The GOI had to retreat from accepting Tibet as an autonomous part of China in 1954 to declaring that the Tibet Autonomous Region (TAR) was a part of the territory of the PRC in 2003.
- The Aksai Chin road was vital to the Chinese maintenance of control in Tibet. The long held belief inherited from the British that a watershed boundary was the most secure led the Indian authorities to move to establish their control to the McMahon Line in the East,
and claim the Kuen Lun range as their boundary in the West. After Indian independence and the establishment of the PRC, no real effort to agree on a boundary was undertaken. The Indian claim was made public in the Survey of India map issued in 1954. The Chinese claim line remains uncertain to this day.

The conflict of 1962 followed a series of incidents as forces seeking to establish their territorial control clashed with increasing violence from the late 50s. Discussions between the governments were ineffective, both at the official and political levels. The officials’ talks were more a legal justification of the existing border claims than an attempt to negotiate. The discussions when Premier Zhou Enlai visited Delhi in 1960 also proved barren as there was no spirit of compromise. The Chinese proposed acceptance of the current status quo was rejected without any serious counter offer from India.

China achieved a convincing victory in 1962 in political as well as military terms which totally altered power equations in Asia. This debacle demonstrated unequivocally India’s failures in almost every field except the valour of its soldiers on the battle field. Regrettably no serious official attempt has been made to analyse the failures and how they should be remedied. A security blanket was used to prevent the necessary airing of the problems discovered, and even worse, the remedial measures required. It is sad to recall that this has remained the pattern after most failures whether political, strategic, military or diplomatic. No government, especially a democracy, can afford this luxury if it is to survive. Defence and foreign policies including intelligence need to be reappraised regularly and also discussed in depth in public. This can be done without endangering national security. If India can be said to lack a world vision, it is no consolation that China may also suffer from the same problem but to a much lesser degree.

In a world where inter-dependence is growing and where no single power can any longer aspire to be a hegemon even in its neighbourhood, the calculus of power has to take into account economic and soft power and their projection, internal cohesion, stability and economic development. India may benefit from a demographic dividend, but only if it delivers on the social aspirations of its youth. Needless to say, military and political power will always remain a key factor in the equation. In this context, it is high time that much more effort is made to define India’s national and strategic interests as a national consensus, and also develop military systems indigenously with much greater collaboration from the private sector and domestic institutions.

Neither India nor China can engineer an Asian system to their specific design. The best solution would be one where they cooperate to the maximum extent and seek compromises rather than confrontation over their differences. In this process, it would be foolish to rely on establishing trust as the basis for resolving differences. Rather the task is one of negotiating the best deal for harmonizing the national interests of both nations. The agreements on maintaining tranquility on the actual line of control since 1962 would indicate the most effective approach. India needs to urgently continue her economic reforms, enlarge her manufacturing and defence capacity, strengthen the economic development and political cohesion of our Northeastern region and increase our presence in South and Southeast Asia to counter China. Lessons from other continents on how regional cooperation can reduce areas of confrontation need to be internalised.

It would be desirable if a degree of autonomy could be conferred on Tibet under the formula of “one nation, different systems”. Tibet is unlikely to desire more autonomy
than would have to be granted to Taiwan. However, this does not seem likely under the existing dispensation.

- There can be no doubt that relations with China need to be given the highest priority, taking into account all the factors outlined above. And this would include a serious analysis of how to avoid all the mistakes of the past.

AMB. VINOD KHANNA

- The territorial issue was central to the conflict. However, other factors were also responsible in smaller or greater degree. There was a combination of factors like, the crisis in Tibet, the Sino-Soviet dispute, and the domestic power struggle of China after the debacle of Mao Zedong’s policy of Great Leap Forward.
- During the Cuban missile crisis, the position of Soviet Union under the leadership of Nikita Khrushchev on Sino-Indian relations changed for a brief period and this gave China the impression that it had the support of the Soviet Union.
- It is possible to argue that Mao and some of his colleagues were really keen to put an end to India’s “pretensions” to and /or aspirations of being a leading figure in the developing world.
- Some scholars argue that if we had been better prepared militarily, China would not have dared to attack India. This is not a valid proposition.
- Replying to a debate in Lok Sabha on 12 September 1959, Nehru said: “This area (Aksai Chin) is in our map undoubtedly but I distinguish it completely from other areas. It is a matter of argument...It is not a dead clear matter. I have to be frank to the house.” If Nehru recognized this, how did he get into a situation where he seems to tie his hands and did not negotiate it with the Chinese? Perhaps the problem was not to open the issue to negotiation. It was very sensible to take the stand as far as McMahon line is concerned in terms of history and strategic importance of the area. The question arises: was that necessary as far as Aksai Chin area is concerned? It is also clear that China does not have better claim than India as far as Aksai Chin is concerned.
- The memoir by P. K. Banerjee shows that Zhou Enlai was desperate for negotiations. When Zhou Enlai visited India, he was treated shabbily.
- During the period of intense hostility between India and China, when Indian media and public opinion was opposed to any contact with China, Prime Minister Indira Gandhi was willing to consider a sensible negotiation, which would take the present reality into account. Mrs Gandhi maintained that India could not stick to the position of no negotiation, given that both are two great nations facing each other.
- A national consensus is required in India. No political party in India would oppose a settlement which would involve a rectification in Western and Eastern Sector. National interest should not be defined in emotional terms but how it will actually affect us.
Mr M. V. RAPPAI

- Fifty years have lapsed after the 1962 war, it is time for us to do a thorough assessment and proceed further. A nation cannot live in a time warp. What are the lessons we learned? According to Chinese strategic thinker Sun Tzu, “war is a life and death issue”, hence the people must be aware about the seriousness of war. After such an incident, one must be able to learn appropriate lessons. The question is whether we have learnt any lessons?
- China being our immediate neighbour and most important trade partner, we need to engage with them. But, it is necessary to develop an understanding about China based on our nation’s interests. The 1962 border dispute cannot remain as a permanent mindblock.
- Over the past fifty years, drastic changes have taken place. At the strategic level both China and India are declared nuclear weapon states. It is necessary to learn correct lessons from this tragic event. First, we need to understand and improve our higher defence management processes. Even after fifty years of this tragic debacle in the Himalayas, we have not streamlined the decision-making process in relation to our higher defence management. In order to strengthen this, we need to drastically improve the cohesion between the political leadership, senior level intelligence officials, bureaucratic and military leadership. Currently, these is a disconnect between our defence ministry and the services; this needs to be addressed urgently.
- From the Military perspective, the 1962 war has largely stymied our efforts for indigenous development and production of weapons and equipment. This issue needs to be properly analysed; no nation can survive on imported weaponry for a long time.
- Diplomacy must play a crucial role in any national crisis. If one analyses the debacle it will be clear that the Chinese side well understood this aspect and managed their diplomatic efforts during the war to their best advantage. India’s performance, on the contrary, was rather pathetic, despite having a number of excellent diplomats. In any crisis point, it is the diplomats who have to handle the escalation mechanism initially.
- In order to understand a crisis situation and the escalation process therein, the nation requires a sound intelligence gathering and analysis mechanism. This can come only through a long and deeper understanding of one’s neighbourhood. This aspect still needs a lot of efforts.
- Managing public opinion and perceptions are crucial in any crisis situation. A detailed understanding of the nature of our border problem and possible solutions to this vexing issue need to be developed on the basis of national consensus and adequate sensitizing of public opinion in this regard.

AMB. KISHAN RANA

- Indian documents related to the 1962 conflict are inaccessible which is a tragedy. However, information comes out from diverse sources including P. K. Banerjee’s book.
- Clearly, sometime around September 1959 and December 1959, there was a sea change in the thinking of the Indian side. A. G. Noorani’s article’ in Frontline quotes extensively from Nehru’s statement in Parliament which shows a very open mind as far as the issue of Aksai Chin is concerned. Nehru’s statements in the Parliament (on 4 September, 10 September and 9 December 1959) indicate a degree of ambivalence as also openness. It
is clear that the Aksai Chin area and McMahon Line area belong to two different categories. However, just after this, the thinking in India changed radically which was evident during Zhou Enlai and Marshall Chen Yi’s visit to India in 1960. It connects with the forward policy and the hardened Indian position. From the Chinese side, the critical decision to hit India was taken around the middle of 1962.

- Henry Kissinger’s book *On China* reveals that the Chinese Ambassador was sent urgently to Warsaw, in order to seek some sort of quasi assurance from the US that it would not undertake any action across the Taiwan Straits. Kissinger further comments that nobody asked why the Chinese were so keen on knowing the American intentions regarding Taiwan. Clearly, the Chinese had decided to hit at India. We need to study this.

- The negotiating position of India and pressure exerted on the government by domestic opinion and parliament and particularly by leaders like A. B. Vajpayee, also need to be understood in its context. There was pressure on the government by the Opposition. An important lesson here is that the government of the day should work with the Opposition on key issues.

- There is need to understand the manner in which the Secretaries of the Ministry of External Affairs conducted their daily meetings with Prime Minister Nehru. Each had a one-to-one conversation and sought Nehru’s instructions in the matter.

- In negotiation theory, the position that India took regarding China is a classic example of “positional bargaining”. India was only talking with China, not negotiating with China.

- There is a need to look at the issue in a wider framework. Tibet is very much integral to the entire India-China boundary issue. Tibet is actually the centerpiece.

- Looking at the wider frame of cooperation in Asia, diplomats have the task for working for such possibilities. Diplomacy cannot be predicated on worst-case scenarios. Diplomacy has to be optimistic. In this context, the importance of regional cooperation, especially BCIM (Bangladesh, China, India, Myanmar) should be emphasized. It may be easier for Bangladesh to work with India in a multilateral framework than bilaterally. The hydropower potential has not been realized in Nepal. It is not fanciful to imagine that we can work with China to generate hydropower in Nepal.

- There is a need to take an outward and optimistic position on our bilateral and regional cooperation and try to transform relationships to our advantage.

**DR. HEMANT ADLAKHA**

- Fifty years ago, India and China fought their first war arising out of the boundary dispute. Very little has been invested in India to learn what the military conflict with India meant to China? Whether due to our lack of access to the increasingly free and independent public debates among the Chinese intellectuals, or due to our lack of awareness that such public debates are now taking place in China, we have been unable to form a complete and objective understanding. If the factors leading China into a military conflict with India half a century ago were more politico-ideological, then its current stance towards India is more a reflection of the PRC’s overall economic considerations’ driven diplomacy (unlike India’s unchanging 1962-centric China policy).
The following issues are reflected in the current debates among scholars and the responses among the general public in China on India and on 1962. It is interesting that most of these views/opinions are mirror images of the Indian discourse.

- Since the 1962 conflict, the Sino-Indian border continues to remain tense. India continues its occupation and control of the 90,000 square kilometres of the disputed territory in the eastern sector. India has never ceased its policy of nibbling Chinese territory. In the western sector, India continues to demand the Aksai Chin territory in China’s Xinjiang region. Furthermore, India has been consistently mounting pressure along the border with China, leading to “arms race” in the region.

- Regarding China’s successes or failures on the outcome of border war with India, the 1962 war at best is viewed as “a victory without gains”. India, on the contrary, has emerged wiser from its defeat in the war with China and has gone on to strengthen and consolidate its military presence along the China border.

- In a widely read and debated article in the Chinese press, a Chinese military affairs scholar, Jin Hui, sums up the 1962 war in terms of China emerging as the loser. “It is clear and evident from the outcome of the war with India, who is the victor and who is the loser. On looking back all these decades after the war, one arrives at the conclusion that the victor carries the tag “victor” only in name, in reality the loser (i.e., India) is the real victor. Perhaps this is the way history is sneering at us (China) today. If India were the victor in 1962, India certainly would not be enjoying the advantage it enjoys today. Similarly, if China was the loser in 1962, China no doubt would not have remained passive and pitiable as it is today.”

- The other striking feature in the Chinese debates on the 1962 war with India, is the questioning of the Chinese or Mao’s wisdom regarding China’s “abrupt” and “sudden” unilateral decision to withdraw troops and “lose out on its own territory to India in the eastern sector following the Chinese victory”.

- Several commentaries in both official and non-official media have underlined the need for China to re-assess its boundary dispute with India, to re-look at its relations with Pakistan, and re-consider its longstanding neutral stance on India-Pakistan détente.

**Discussion**

**GENERAL D. BANERJEE**

- The 1962 war was a big disaster for India and India has not yet learnt its lessons. Not many studies have been done on the issue. In absence of adequate studies, we cannot draw lessons. There was a complete disjunction between military and diplomatic policies and thus we lost the war comprehensively. In developing our policy today, we need to consider diplomatic as well as strategy options. These two options need to be considered in association with each other.
• The heart of the problem is Tibet. We can do a lot of wishful thinking – but we cannot change the situation. Another conflict with China is inconceivable -- it would be disastrous. But we cannot make any concessions unless there is a quid pro quo.

• There is a need to look at the new thinking in China which appears to be questioning our claim to Jammu and Kashmir and, therefore, by implication the Aksai Chin.

Session II- The Way Forward

PROF. MANORANJAN MOHANTY (CHAIR)

• There is a need to treat India-China relations including 1962, from the perspective of a confident people; to recognize the new degree of self-confidence among the Indian people. How do a confident people look at history? There is a similar question in China - how do they see the Japanese period?

• Civilizational perspectives must be brought in the bilateral discourse.

• The challenge is how to bring the elites from different sections together including political parties to arrive at a consensus with regard to the boundary dispute.

PROF. L. PREMASHEKHARA

• Beijing and New Delhi have not done anything significant to disturb the status quo in the Himalayan region and alter the so-called “Line of Actual Control” (LAC) since the end of the war of 1962. Perhaps this indicates a feeling that the mutual border today runs along the natural frontiers and consequently there exists no serious border dispute between India and China. Of course, there have been minor incursions into each other’s territories. Such incidents are bound to occur when borders are not defined in written agreements and delineated on land. Reality being so, it is unlikely that India and China will go to war over the boundary issue again. Such a war will alter the Dull Frontier created over a period of half a century of military moves, first by British India and later by People’s Republic of China during 1904-62, and push India and China to situations similar to the one that existed before 1962. This will not serve the interests of either country.

• It is worth remembering here that the Nehru government had rejected the offers Premier Zhou Enlai had made more than once during the months preceding the War of 1962. China was ready to recognize Indian sovereignty over Arunachal Pradesh, provided India accepted Chinese sovereignty over Aksai Chin. The Chinese again offered to convert the Line of Actual Control with minor modifications into an international border between the two countries in the fifth round of border talks held during 1983-84. The Chinese offer
was wise in more than one respect and Indian acceptance of the same would have solved the vexed border row, freed Indian armed forces from the tremendous burden they have been shouldering and radically overhauled Sino-Indian relations. But the Indian government again rejected it. It is difficult to gauge whether China still favours such a solution to the border problem. However, it is in the interest of the Indian people and government to probe the matter and work for legitimizing the Line of Actual Control as an international border and formally establish “Dull Frontiers” between the two Asian giants.

- The “Principle of Settled Populations” agreed upon by prime ministers Manmohan Singh and Wen Jiabao during the latter’s official visit to New Delhi in April 2005, should be accepted by Beijing and used as a means for final solution to this boundary dispute. The Chinese, however, changed their stand later when their foreign minister told his Indian counterpart in June 2007 that the “mere presence” of settled populations did not affect China’s claims across the border. Even the general masses in Arunachal Pradesh, especially in Tawang, are totally averse to the idea of any change in their present nationality. Some even expressed their readiness to fight the Chinese along with Indian Army if China resorted to use of force to settle the border issue in its favour. Reality being so, it will be wise for Beijing to accept the present arrangement in which the Sino – Indian border is aligned along the natural frontiers and both New Delhi and Beijing should settle the vexed border row and convert the present “de facto” frontiers into “de jure” frontiers.

AMB. C. DASGUPTA

- The 1954 decision, contrary to the views of some scholars, was not a “cartographic aggression”. All that was being done was putting India on an equal footing with the other party which had shown a defined boundary in its maps.

- India and China adopted quite similar – almost mirror image - policies with regard to the border. Each side seemed to consider that the time was not ripe to open border negotiations. It was preferable to first establish their presence on the ground before raising the issue with other side. The Chinese followed this approach in the Aksai Chin area as the region was strategically important to them and India did the same in the Eastern sector as it is strategically important for us.

- Major mistakes were made only after 1959. From the Indian side, the mistake was continuation of a forward policy, coupled with a refusal to negotiate.

- Yet another mistake was to accept operational policy recommendations from the Intelligence Chief. The task of an Intelligence Chief is to provide intelligence assessments, not policy advice; otherwise, intelligence assessments may be distorted to conform to policy advice.

- The Chinese position was based on a misperception about India’s Tibet policy.
By 1960, many of Nehru’s party colleagues and every major opposition leader (except for CPI) took an inflexible position. This was also true, with a few exceptions, of the media and China specialists. This made it impossible for the Government to negotiate. Thus, it was not merely a failure on the part of the Government but a comprehensive failure of all those responsible for policy making and shaping public opinion.

The prospects of an early boundary settlement appear dim. A major reason is the hardening of the Chinese position. China now apparently insists on major territorial concessions in the Eastern sector, including populated areas (Tawang).

Introspection is also required on our part. Even if the Chinese were to offer a settlement based on the territorial status quo, would the Government be in a position to sign an agreement conceding Aksai Chin? The government’s handling of the minor Indo-Bangladesh border rectification is not reassuring.

The immediate issue is the management of the India-China border. Maintaining peace and tranquility is likely to become more complex in the coming years, because the Chinese behavior is turning more assertive. China is stating border claims with greater frequency and greater stridency; it tried to block an ADB loan for a developmental project in Arunachal Pradesh; has denied visas to residents of Arunachal Pradesh; and, most recently, has been issuing passports depicting its border claims. Calm, measured and proportionate reaction is required to such moves.

Maintenance of border stability requires adequate defence capability - not necessarily parity. Parity is neither necessary nor feasible, in view of the wide disparity in the GDP of the two countries. We need a “dissuasion” capability. What is required is the ability to inflict retaliatory damage which will exceed any possible gains which Chinese might achieve by military means. In this context, our nuclear capability is a huge factor for stability. Cyber retaliation should also be considered.

The defence capability is not simply a question of the size of the defence budget. It goes much beyond this. Civilian infrastructure - roads railways, airfields, telecommunication - are huge force multipliers. Thus, India needs to speed up development of its North East region.

There is no country in the world that recognizes Tibet as a separate country. There is no substance in the criticism that we should have refused to recognize China’s claims to Tibet in the early 1950s, we would have been totally isolated if we had taken this quixotic stance. Some elements of the Tibetan Youth Congress have been advocating muscular policies lately. However, any Tibetan rising in China will be crushed mercilessly by China. The Indian government has followed a policy that is at once principled and pragmatic by refusing to permit anti-Chinese activities from its soil by Tibetans who have sought asylum in India.
Aksai Chin

- The international boundary in Aksai Chin is not delimited. Attempts were made in 1846 and 1848 and even in 1684 (Treaty of Tingmosgang), but these do not contain any hint of location of northern boundary. There is no dispute on Karakoram pass as the boundary with Xinjiang. There was a great debate in 19/20th century for delimitation of Ladakh’s northern boundary, with the forward school suggesting Kuen Lun Range, while the other school preferred Karakoram range.
- Aksai Chin plateau is divided into two unequal portions by a ridge called Laktsang or Lak Tsung. Work on a life line for supply of logistics from Xinjiang to western Tibet started in 1953 and was completed in September 1957. Government of India had, then, taken the stand that they were not aware of the road. Graziers of Takse who had ancient rights of grazing in Chang Chemo region of Ladakh have reportedly said that they knew it all along since construction started in mid fifties and had been informing authorities at Leh.
- In 1899, the British Government had proposed what is known as the MacDonald Line, to Chinese Government, but there was no response from the Chinese Government.
- By the end of the World War I, the Ladakh border was reverted to the boundary along Kuen Lun Range. The Laktsang ridge is a good recognizable natural feature and watershed. It would meet the strategic interest of China of the vital Aksai Chin road and its linkages. This would also imply that Lingzithang would be vacated by Chinese troops, similar to what was done by them at Shaksgam valley in Sino-Pakistan treaty of 1963. It is proposed that Lingzithang area be converted into “Peace Park” with no deployment of troops.

Tawang

- By the time the Shimla conference had taken place in October 1913, Extensive survey operations of the frontier between Tibet, Assam and Burma were carried out to determine the nature and extent of Tibetan/Chinese influence.
- The main argument of China is that Tibet had never any rights to conclude international treaties. On the other hand, history is witness to fact that during last 300 years Tibet has signed treaties with neighbours which included the following:-
  - Tibet-Ladakh Trade Agreement 1853.
  - Treaty between Mangolia and Tibet 1913
  - Anglo-Tibetan Agreement 1904
  - Shimla Agreement 1914
  - Indo-Tibetan Frontier Agreement 1914
  - 10 Point Treaty Tibet and Nepal 1856.
- Tibetan officials deputed by Tsona Dzong Monastery were collecting monastic taxes and labour from villages in Tawang region (and Walong area). In 1938 a British note was sent
to the Tibetan Government reminding them of boundary agreement of 1914. In reply, Tibetans acknowledged the Red Line of the McMahon map and stated if “certain places mentioned were in British territory, they would instruct their officers to refrain from interference”. Finally, on 12 February Major R Khating of Assam Rifles evicted Tibetan officials from Tawang region.

- Thus, there is definitive boundary defined on map nearly a century back in the eastern sector. If it is demarcated on ground keeping watershed principle, it is expected to give room for adjustments. At Thagla ridge an area of 25 square km is controversial. This region is un-inhabited. The Colombo Conference in December 1962 had also accepted the Line of Actual Control along McMahon line except at Thagla ridge and Longju area. In any border settlement in future India could be flexible for adjustments.

MR. RAVI BHOOTHALINGAM

- Indian reflections on 1962 focus on the experience of defeat and its “lessons”—learnt or otherwise—but almost entirely from the perspective of politics, military affairs or diplomacy. I shall deal with another narrative arising from business and industry. How would Indian business look at the lessons of 1962 when seen in the context of the global scenario that prevails in 2012? What future course of action would Corporate India recommend to the governing polity, as being the best in terms of India’s national interest? There are indeed times when commerce and industry have taken the lead in setting a path-breaking course for their nations. This may be one such point for India. An example from recent history may enlighten us.

- After the World War II, the Allied Powers placed restrictions on Germany regarding the production and import of both steel and coal, these being considered “the sinews of war”. As a result, Germany found itself hamstrung in its drive for reconstruction. But so too was France, as the French coal industry in particular had existed in symbiosis with the industrial heartland of Germany’s Ruhr valley. German and French businessmen thus strongly encouraged the innovative ideas of a French bureaucrat—Jean Monnet—to create a cooperative community of six nations where steel and coal could be produced and consumed without hindrance, but with safeguards against military usage. The European Coal and Steel Community—an early precursor of the European Union—was the result. The rest is history.

- The point of this story is not the European Union—which is right now in somewhat of a tight spot. Rather, it is highlighting the role of business in being a game-changer. Can business and Government in India work together in a similar fashion to consign the border issue to its rightful place—i.e. as a part of the much wider canvas of a Sino-Indian multi-dimensional engagement. The task ahead, therefore, is for both countries to create such canvas.

- The Indian and Chinese economies have many commonalities and complementarities in their respective endowments and comparative advantages. These greatly outweigh the points of rivalry and competition, which are inevitable between any two countries of comparable size. So the huge mutual benefits in connecting the second and fourth-largest
economies of the world thus seem obvious and this is the first of the conclusions that Indian industry would draw. The recent Sino-Indian Strategic and Economic Dialogue held in Delhi, happily, took some key steps in providing concrete momentum in this direction.

- India’s economic connectivity with China remained poor until the advent of the new century with bilateral trade being US$ 2 billion in 2001. Even with a huge jump to US$ 74 billion in 2011, it is still modest compared with the levels of trade between China, Korea, Japan and ASEAN. Further all these countries have significantly increased the portion of their trade denominated in Chinese RMB, and with the free trade area with ASEAN coming into force shortly, the economic integration of East and Southeast Asia will be near-complete. India has watched this scenario unfold, and the resulting enhanced prosperity of its Asian neighbours.

- Despite the great inter-dependence of Japan and China on each other, there still remain deep historical and other issues between them which cause considerable political irritation and social angst. China also has problems with some of its ASEAN neighbours. But all these countries seem to have mastered the art of living simultaneously with the Jekyll of close economic relations along with the Hyde of occasional political tension. This is the second lesson that corporate India would imbibe—that in this complex world, businesses as also governments must learn what Mao Zedong called “the correct handling of contradictions”.

- East Asian countries know that the alternative—conflict in the form of a hot war - given the intricate supply-chain relationships that operate across Asia, would paralyse, for example, the production of almost all electronic goods known to man. Shipping would grind to a halt - while there are no absolute guarantees in life, mutual interdependence is a great force against conflict. East and Southeast Asian countries are able to practice this art of managing contradictions because they have accumulated thorough knowledge about each other over years of close contact and intercourse amongst their peoples. This informal knowledge is buttressed by formal institutional links through their business chambers, professional associations, specialist agencies, universities, tourism and the like. In the India-China case, these factors are so insignificant as to be almost absent. This creates an environment ripe for misperceptions and misunderstandings, thus fostering the notorious “trust deficit”. India’s business and Government sectors should work together with their Chinese counterparts to lessen this gulf on both sides.

- The rising powers such as China and India can collaborate in innovation and invention in areas which can solve some of their—and the planets’--common and pressing problems, such as clean water, a sustainable environment, renewable and cheap energy, eradication of tropical disease, inexpensive housing, open source education etc. These areas also represent huge business opportunities. China and India have the motivation and the human resources to tackle these issues, and if they collaborate effectively, the timeline for creative discoveries can be reduced dramatically. There are many pots of gold at the end of these rainbows.
Discussion

AMB. Y. KUMAR

- Solution to the border problem is linked to the overall perception of the broader strategic understanding. Two issues are noteworthy: first the chaos prevailing at the time and the inability of the state to handle the situation.
- We need to be prepared for the possibility of minor issues escalating into major ones. We face a qualitatively different situation today; there is much more information in terms of policies and personalities – we should expand our capacity and build upon it and should look at China from our own standpoints.

MR. HEMANT ADLAKHA

- India and China today are extremely ill-informed about each other.

MR. M.V. RAPPAI

- India has fallen way behind China in the cyber-warfare aspect.

AMB. RAJIV K. BHATIA

- The geo-strategic aspect is the most important in bilateral relations. India and China cannot be allies but can be partners. It might be useful to explore what is the role of the US constituency for the arms industry in order to assess its impact on India-China relations.
- There is no need for continuation of the paranoia fifty years after the conflict. There is a need and scope for widening the dialogue between India and China - Indian interests will be best served by such a dialogue. For instance today, the US is talking about sending 100,000 students to China over the next five years. What number is India talking about, given such a scenario?

GEN. D.BANERJEE

- The closure of the 1962 is needed and our assessment should be based on the realities of today. Although a resolution is not possible in the short term, it should not be a major concern.

DR. SANJEEV KUMAR

- There is a need to give emphasis to the agreement on political parameters and guiding principles for the settlement of India-China boundary question signed in April 2005. The agreement clearly says that two sides shall safeguard due interests of their settled populations in the border areas. However, some scholars from China misinterpret the meaning of the text.

AMB. C. DASGUPTA

- China has recently released its official archives up to 1966 to the public and scholars from the Indian side should access and review these archives.
AMB. ERIC GONSAVES

- Closure of 1962 would come only if both India and China visualize Asia together – in which we require to learn more about China and have more direct interactions with China.

MR. RAVI BHOOTHALINGAM

- We need to study how the increased economic interdependence between China and other countries has reduced the risk of military conflict and explore the possibilities of consortiums between companies from various countries for doing business in India-China.
- Tension between India and China may be good for the arms industry, but a war is not good for the country or the people.

Concluding Session

Valedictory Remarks

AMB. K. S. BAJPAI

- Reflections on 1962 ought to continue till we have admitted that we made rather a mess of things including those made by the military - not just in the conduct of the operations but what led to the operations.
- How do we deal with China? This is also a global challenge. What kind of a power will India be? We all need a working hypothesis as to how to deal with China even though people may take different facts.
- It is clear that China does not wish us well and we cannot deal with it alone. It has a state willing to do its bidding (Pakistan) and by giving it nuclear capability, it has made sure that it has a neighbour with limited capability. They have in a sense minimized India’s capacity to exert pressure on it, whereas it has augmented their own capacity to exert pressure.
- Relations between states are shaped by attitudes and perceptions as also the circumstances.
- India’s response is shaped by how China is perceived by our neighbours. But every big power has problems with its neighbours. China has Korea, Japan, Vietnam, though it has dealt with the problems with an adeptness we do not have.
- It is difficult to visualize a boundary settlement, given China’s position on Arunachal Pradesh and given the Indian situation--how would we get the political consensus necessary in Parliament?
- Why has China raised the ante? In 1981, when Huang Hua came to India, he broached the possibility of setting aside the dispute. Since the then PM Indira Gandhi wanted to
also show strength and decided to have both – JWG's and package deal was broached but dropped in the 5th round. There was an objection from New Delhi and the issue was never brought up again.

- China obviously sees Delhi as never being able to settle the dispute. How you are seen by the other side is very critical to the way the relationship develops and it is, therefore, important to get our act together.
- Indian proximity to the US conveyed certain signals to China. Even the US is not very confident about China. The US also does not visualize an alliance with India, but a strong India is in their interest so they would help towards it.
- The most practical option is to engage with China though there are several concerns on that count.
- In the meantime, we need to build up the strength which could convey the signal to China to take India seriously.

Summary of Discussion prepared by Dr. Sanjeev Kumar, Research Fellow, Indian Council of World Affairs, New Delhi

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