

of the region by alphabetical order and I would like it to take a leading role. Thailand is last in the alphabetical order, and therefore, is ready to follow and join the meeting.”

Meanwhile, on the “marketplace” side, Prime Minister Chatichai declared April 12 that Thailand will consult its ASEAN partners—who are miffed at Thailand’s about-face in Indochina policy—on forming a “mechanism of regional cooperation in trade and economics” as proposed by Australian Prime Minister Bob Hawke. The occasion for the call was the visit to Bangkok of Hawke’s special emissary, Richard Woolcott. According to Woolcott, the regional cooperation body would start with 10 countries: ASEAN’s six members, Australia, New Zealand, Japan, and the Republic of Korea. The participation of Vietnam, Laos, and Kampuchea would be expected after the settlement of the Kampuchea conflict. “Australia would consider China’s involvement an advantage because of its economic importance and its role in the region.”

### **British axe to the Kra Canal?**

Commensurate with its “marketplace” policy, the Chatichai government has initiated proposals for a “land bridge” across the Kra Isthmus in southern Thailand, as an alternative to the construction of the Kra Canal, despite the fact that the prime minister’s political party, the Chat Thai Party, was an early promoter of the canal project and despite the fact that parliamentary committees have passed resolutions calling upon the government to begin feasibility studies on the canal. The canal, with a deep-sea port constructed at the southern city of Songkla, would facilitate ship travel from the Indian Ocean to the South China Sea and on to the Pacific, and serve as a hub for regional industrialization.

According to sources in New Delhi, Prime Minister Chatichai, during his early April visit to New Delhi, was explicitly asked by Prime Minister Rajiv Gandhi about Thailand’s plans for the canal. The canal would also be a focal point for the development of India’s eastern coast and the port city of Calcutta. The Thai prime minister answered that the Kra Canal was a dead letter.

This apparent decision by the government is interesting in light of Thailand’s new-found friendliness with Great Britain. In the aftermath of World War II, the British had declared that Thailand—which had been within Japan’s orbit as a measure of self-preservation while it simultaneously created the Free Thai guerrilla operations—must sign an unconditional surrender treaty with London, which would have effectively made Thailand a British colony. (Thailand was never colonized during the 19th and 20th centuries.) With American intercession, this disaster was avoided. However, in the final treaty, the British insisted on the inclusion of a clause that would prohibit the construction of the Kra Canal. The treaty was abrogated in the 1960s. Is London making a veto of the Kra Canal a condition of its new bid for a caretaker relation with Thailand?

# The Nepal-India tiff: the shadow of the

by Ramtanu Maitra and Susan Maitra

A spurt in anti-India demonstrations in Kathmandu, Nepal and oft-repeated belligerent statements issued by the Nepalese authorities have given rise to speculation whether the Chinese dragon is casting its shadow across troubled Tibet. Although Indian Prime Minister Rajiv Gandhi, at a recent press conference in Chandigarh, categorically ruled out any Chinese involvement in the souring of bilateral relations between India and Nepal, it is nonetheless evident that those who are too eager to blame India for the impasse happen to be individuals and groups—such as the demonstrators in Kathmandu—who are known to be blatantly pro-Chinese. They are apparently using the opportunity to establish themselves as Nepali “nationalists.”

A series of seemingly minor events occasioned to the fear that China is not altogether a bystander. First, in July 1988, a significant quantity of Chinese arms was brought into Nepal in a convoy of 300 trucks, along the Kodari-Kathmandu highway constructed earlier by the Chinese. Nepal justifies its Chinese arms procurement on the grounds that India had failed to respond to prior requests to supply the same. What surprises India, however, is that Nepal acquired anti-aircraft guns from China and reportedly placed those along the Indian border.

The Indian government points out that this constitutes a violation of the 1950 India-Nepal Treaty of Peace and Friendship, on which the relations of the two countries rest and of which Nepal has recently shown some reservations. Article 5 of the treaty states that although the government of Nepal “shall be free to import, through the territory of India, arms, ammunition, or warlike matériel and equipment necessary for the security of Nepal,” it would do so “by the two governments acting in consultation.” Subsequently, two Indian ministers, Foreign Minister P. V. Narasimha Rao and his junior, K. Natwar Singh, have visited Kathmandu, but without much success.

In September 1988, the issue was discussed in the Indian Parliament. One Congress (I) parliamentarian pointed out that Chinese AK-47 assault rifles and shoulder-fired missiles have shown up in large numbers with terrorists in Punjab, implying a transfer of arms from Nepal to subversive elements in India. The MP also expressed concern about the possibility of these arms finding their way into the hands of Naxalites in Bihar and Gorkhaland secessionists in the hill districts of West Bengal—areas close to the India-Nepal border. Foreign Minister Rao assured the House that the

# Is it Chinese dragon?

Indian government would continue to remain vigilant against any transfer of arms from across its border to terrorists operating within India. However, such assurance has its limitations because of the long and wide-open border that allows individuals to move in and out of either country with impunity. Moreover, it is widely known and accepted by both governments, that a well-organized smuggling network functions in the border areas.

As a footnote, one might add that, for the first time, AK-47 rifles have been used during recent disturbances in the Indian-held part of Kashmir.

## Diplomatic deadlock

Besides the Chinese arms, the movements of Chinese personnel within Nepal close to the Indian border have drawn attention. The bone of contention is the 204-km stretch of the MahindraRajmarg—an east-west highway, 304 km of which India had earlier constructed—between Kohalpur and Banbasa. The highway, which runs close to the India-Nepal border, is being completed by the Chinese. Nepal authorities claim that the Chinese were offered the job because they were the lowest bidders and had bid significantly lower than both India and South Korea. The Nepal government refuses to entertain any “insinuation” that there are ways to become the lowest bidder, particularly when both parties are in agreement. Nonetheless, India has concern over so many “Chinese construction workers” wandering around in what India considers sensitive terrain.

The situation has been made to deteriorate further following the recent deadlock in trade and transit talks, which is temporarily depriving Nepal of many basic items (and giving smugglers a field day). Nepal had earlier announced a 12 km restricted area in the mountains, applicable to all foreigners except the Chinese. This has not helped matters at all.

Following expiration of the trade and transit agreements in March, a large number of Indian traders and businessmen had to leave Nepal because of the “anti-India” campaign launched by pro-China groups. Two groups with links to China—the Akhil Nepali Rashtriva Swatantra Vidyarthi Sammelan and the Mohan Vikram Group—called for a general strike on April 16 to protest “the domineering attitude of India.” Indian traders and businessmen have reportedly been assaulted by the pro-China demonstrators.

There is no indication that the Nepal government wants to curb such violence. On the contrary: Two Nepali journal-

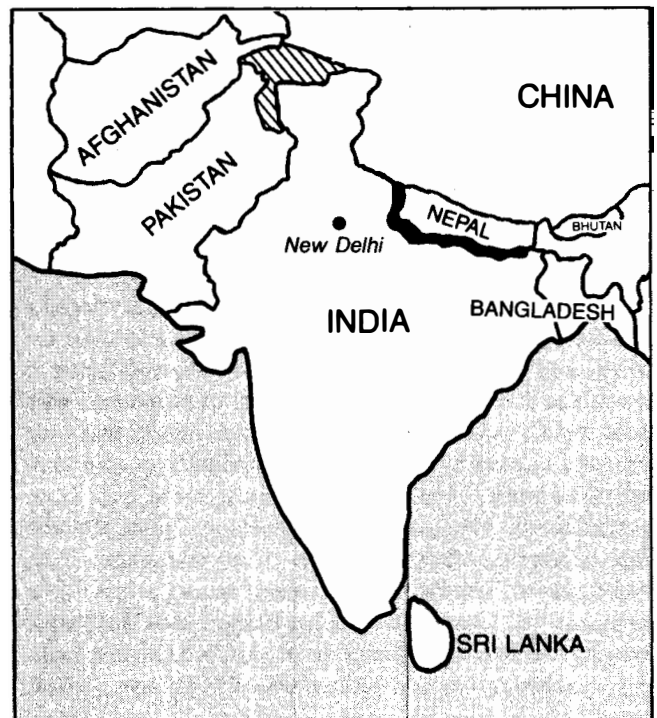
ists, who had accused the Nepal government of precipitating the crisis with India, have been arrested and detained.

## The China factor historically

China’s designs on the Hindu Kingdom of Nepal go back hundreds of years. The two countries went to war in 1792, following the Nepalese invasion of Tibet that year. The same year, the two countries signed a treaty whereby Nepal recovered the territory captured by China, and in return, agreed to send a delegation every five years bearing gifts to the Chinese emperor. Subsequently, the Chinese claimed that Nepal had accepted Chinese suzerainty—a claim Nepal rejected. Nonetheless, Nepal continued to take the gifts to please the Chinese emperor.

In 1908, China urged on the Maharaja of Nepal “the blending of five colors”—China, Tibet, Nepal, Sikkim, and Bhutan—and compared Nepal, Bhutan, and Sikkim to the “molar teeth lying side by side in man’s mouth.” This concept of a China-controlled “Himalayan Kingdom,” as perceived by the Chinese, re-emerged in 1950 when the Chinese Communist Party called for the “liberation” of Nepal and subsequent formation of a “Himalayan Federation” of all Mongol people under Chinese leadership.

Nepal, for its part, completely locked between India and troubled Tibet, played a less than cautious role vis-à-vis China. The Nepalese monarchy, a decayed institution ruling over an utterly impoverished population through the nobles and privileged few, sidled up to China for its own convenience. Unlike most of the rest of the world, the Nepali mon-



archy does realize the inherent desire of China's leaders to dominate areas north of India. And the Nepali monarchy saw in this a perennial advantage and the potential to keep up its decadent rule.

This game blossomed in the early 1960s when the Sino-Indian relation approached a state of war. The Nepali monarchy, afraid that it would be uprooted by a faction within the elite that looked to India and democracy for Nepal's future, found in Mao's China a foil to India and played this "card" with reckless abandon.

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In 1958, a parliamentary democracy was established in Nepal. The Nepali Congress, which had participated with the Indian National Congress to end the British Raj in the subcontinent, won the elections comfortably and assumed power. However, as Sino-Indian relations touched their nadir in the next several years, King Mahindra seized the opportunity in 1960 to issue a proclamation dissolving the Parliament. The king assumed power himself, accusing the democratic government of having fostered "selfish and group interests." The king adopted a "back to the village" campaign, and began to go after the Nepali Congress, persecuting its members. Many Congress members fled Nepal and took refuge in India, while others went to jail.

In the following period, the Nepali government began a concerted propaganda barrage against the "rebels" who the government charged were ensconced in India and trying to destabilize Nepal from there. A number of encounters with these "rebels" were reported in the media, reports that were promptly echoed by Beijing. King Mahindra, meanwhile, engrossed himself in pushing Nepal firmly into China's lap. Just before the 1962 war between India and China, Chinese Foreign Minister Chen Yi went on record saying that China would side with Nepal "in the event of an aggression." The statement was loaded. It was also in the 1960s that Nepal brought China along to build the Kodari-Kathmandu highway connecting Nepal's capital with the Tibetan capital, Lhasa.

Over the years, as Sino-India relations moved out of scalding hot to lukewarm waters, the Nepali monarchy assiduously cultivated and protected its close relationship with China. In 1972, following King Mahindra's death, his son, King Birendra, a Western-educated (Eton-Harvard) monarch, took over, but the policies remained the same. In 1975, in an attempt to nullify the 1950 treaty, King Birendra propounded the concept of Nepal being a "zone of peace." Among others, China jumped in to support the concept.

During the current feud with India, Nepali authorities have taken care to point out that Beijing is unhappy about the Indian "belligerence" toward Nepal. Recent reports from the Xinhua news agency suggest that a Chinese Foreign Office spokesman has expressed concern over the "serious difficulties faced by the Nepalese people." It is noteworthy that China, which cries "wolf" when anyone points to the atrocities committed against the Tibetans in their homeland, feels no compunction in interfering in bilateral matters which concern only Nepal and India. It is equally noteworthy that the Nepal government finds it suitable to flaunt the Chinese reaction to bolster their stance.

### **Who saw the dragon smile?**

Following the United States' "opening" to the P.R.C. in the early 1970s, and the more recent Sino-Soviet thaw—which may in the near future fructify the desperate Soviet attempts to have a summit with Chinese supremo Deng Xiaoping—there has been a great urge worldwide to "launder" China. In other words, there has been a sudden spurt to portray China as a benevolent power whose sole concern is to become an economic giant and better the conditions of its 1 billion-plus population. Both the United States and the Soviet Union are eager to tell India that they have seen the dragon smile. It is a soft sell, and with obvious contradictions.

First, the Chinese traditional ruthlessness unleashed in Tibet in recent days is almost indistinguishable from the "fire-spitting" image that both Moscow and Washington used to caution others about. The fact, however, is that China, as rightly realized by the Nepali monarchy, has and will always protect what it considers as its territory or suzerainty, paying scant attention to whether it will be liked by the image-builders or salesmen.

Second, China's economic interests cannot be separated from its geopolitical necessities. A large amount of Chinese goods have flooded the northeast India for years, and in Imphal, Manipur, there exists an exclusive market where the Chinese smuggled goods are sold. No such market for Indian or Nepali goods exists in China. Along with these "invisible exports," a huge amount of narcotics also flows outward from China. It is understandable that in order to maintain these "invisible" export earnings, China maintains a wide network of smugglers. The money thus earned is then partially channeled into a pro-Mao or pro-Lin Piao or pro-Deng or other pro-Chinese faction, for activation as and when necessary.