CHAPTER - VI

Land Routes and Trade

Between India and China
Trade routes play an import role in the foreign trade of a country. Trade route is a logistical network identified as a series of pathways and stoppages used for the commercial transport of cargo. Allowing goods to reach distant markets, a single trade route contains long distance arteries which may further be connected to several smaller networks of commercial and non-commercial transportation. Historically, the period from 1250 BCE–153 CE saw the Western Asian, Mediterranean; Chinese and Indian societies develop major transportation networks for trade.

6.1 HISTORIC LAND TRADE ROUTES BETWEEN INDIA AND CHINA

The earliest evidence about the traditions of trade and commerce between China and India go as far back as the advent of all the territorial and maritime branches of the silk route network or even to the opening of western regions during the emperor Wu Ti (early Han period 207BC -220AD). For some, it goes to even before say, the unification of China under emperor Qin Shi Hunag I during Qin Dynasty 221-207 BC. On the China silk, appears in Kautilya’s Aarthaasatra –which is believed to be the product of 4th century BC- which uses Sanskrit compound Linapatta meaning “a bunch of Chinese silk”

Later words like Manusmriti believed to be compiled during 2nd century BC and 2nd century AD-frequently make mention of China silk. With the opening of China’s western regions there was to come into existence the shortest and most direct route between China and India. The use of this direct trade route has been now established by archaeologists who have unearthed several evidences in these regions. Amongst these, the discovery of a strip of silk from the former Han Dynasty period with Brahma script on it in the watch station in the Han site of yu-men kuan may be taken as an unmistakable evidence of China-India trade links of that period. Similarly, a coin of
Hermaeu's, the last Greek king in India (c.50-30 BC) was found in China's Xinjiang province and another one found in Khotan are cited to indicate the level of sophistication that marked the extensive commercial interface between China and India during that time.\(^3\) Under the later Han period (25-200 AD), direct official interactions are reported to have been established between India and China and several Indian envoys are believed to have travelled to Han courts through western regions and large quantities of silk are believed to have been transported westward to Rome through India.\(^4\) Later Han times China-India economics interactions were to expand through the sea route as well. For instance it is believed that in 159 and 161 AD, Indian envoys twice came to the Han court to pay tribute, in both cases they are believed to have taken sea route via Jih-nan (Annam).\(^5\)

Later in the third and fourth centuries, it is believed that Indians migrated to and settled down in Yung-Ch'ang, the Chinese province on the Yunnan and Burma border and this had further facilitated close economic engagement.\(^6\) From here the Cholas of south India and Sung Dynasty of China were to develop flourishing trade ties that were to continue almost until the advent of colonialism that was to introduce several negative legacies that till date continue to distort. Mutual perceptions and polices between China and India. In fact Asian land particularly China-India trade transactions were to introduce several pioneering changes in the pre-industrial revolution cross-country trade transfers. Maritime track was to be one such important new segment of interstate trade relations that, in some ways, was to become the precursor of European post-industrial revolution colonialism. Right from ancient times the maritime trade had formed an important part of Asian cross-country trade transactions, however, around 1,000 AD, there was to the maritime trade in Asia. Whereas earlier, goods were shipped directly from the place of origin to that of final consumption, now, especially on Indian ports, this was to evolve.
a unique new practice of re-exports. This involved breaking of the bulk into parts according to demand in various ports of call. This new trade tradition in Asian trade transactions was related to the simultaneous rise of several powerful corporate empires in several parts of Asia. The Cholas empire in south India, the Khmer, empire of Cambodia, the Champas empire in Vietnam, and China under Sung dynasty had all emerged around 11th century that was to witness a rapid extension of rice cultivation and a large-scale increase both in local and long-distance trade transactions.

The second fundamental change pioneered by China-India trade this ancient period was that the goods to be traded were no longer only a few luxury items, but increasingly included a wide variety of consumer commodities such a processed iron, spices, sandalwood, camphor, pearls, textiles as well as horses and elephants. All this was to result in large scale and regular transactions amongst these early medieval empires and endure a trading road network in this region that was to be one of its kinds around the world. Popularity called the silk route this was to symbolize the flourishing cross-country trade of Asia of ancient and medieval times.

In HP, the western Himalaya forms a natural geographical boundary between India and the Tibetan region of China. With immense peaks ranging in altitude between 16,000 to 21,000 feet above sea level, it has served as an impenetrable and effective political border for state territorial expansion. It became the northern limit for British colonial expansion and the southern limit of successive Chinese empires. However, until recently border communities on both sides, partly because of their status as socioeconomic 'Frontiers', remained in closer contact with each other than with mainland communities. Indo-Tibetan communities along the border were invaded in an intense network of social, cultural and economic relations with each other that was crucial for their very survival and sustainability. The low agricultural productivity of these high
mountain regions resulted in a mutually dependent agro-trader pastoralist economy. Difficult of access to these border regions from the mainland on either side meant that, for these communities, the border lay in the separation from the plains rather than between each other, from bartering essential subsistence items, trade gradually grew to include commercial items, and at its height, trade routes in present day Himachal Pradesh were explored as the alternative silk route. This historical trade was disrupted in the sixties because of border tensions between India and China. The exodus of refugees from Tibet into India, and later a border was resulted in the sealing of this borderland increased military presence and monitoring on both sides. While some illegal trade continued, volume decreased considerably both due to legal barriers and broader socioeconomic changes in border communities. The nineties brought a further change. Trade along the Indo-Tibetan in HP has a long history with the first state intervention in trade recorded around three hundred years ago. Also recorded in early travel records and British gazetteers, indicate that official trade lies in the region dates back to the time of the Bushahr King Kehri Singh. The king of Tibet was able to successfully repulse an attack by the king of Kashmir with the help of the Bushahr king. As a token of friendship, the king of Tibet and Bushahr signed a trade pact by exchanging the Tibetan horse with the Bushahr sword. The pact was to be valid forever or, as was etched more poetically the trade pact was valid until, 'Sutlez goes dry, crows become white, horses get horns and the stones, which are stated to be at the border of both the states, on which treaty was written, produce hair or wool'. It was also agreed that no transit duty would be levied on trade between Bushhr and Chinese Tibet. Trade Caravans travelled unhindered, with robbers (chukpat) among the way the only threat.

Each side held a major fair once each year where goods were transacted. On the Indian side, the Lavi fair in November was a major event where traders from Tibet congregated. The term 'Lavi' is said to
be derived from the local "loi" which means raw wool, which was a major product traded at this fair. The Lavi fair continues today and is a major market for the sale of products but Tibetan traders are no longer seen here. On the other side, a large commercial fair was held twice a year at the town of Gattok (also Gardokh/Garoo) the principal town of the province of Rudokh in Chinese Tibet where merchants from Ladakh, Kashmir, Nepal and Hindustan assemble for interchange of produce. Exports from India passing over the Hindustan and Tibet road nearly all change hands at Gardokh, which are ten easy marches from the Bushahr frontier. In western Tibet, Gardokh was the most important market (where traders from Lahul, Spiti, and Rampur-Bushahr (all in HP), Garhwal and Kumaon met traders from China, Alexander Gerard, one of the earliest British officials to explore the Kinnaur region, was clearly impressed by the scale of trading. The present districts of Kinnaur and Lahaul – Spiti in HP encompass the entire Indo-Tibetan border area in the state. The main trade route and centre lay in Kinnaur, which formed part of Bushahr state. While the Shipki la route lie entirely in Kinnaur district, kaurik pass lies in Spiti district, but very close to the border with Kinnaur, although many traders from Bushahr and some from Kashmir used these trade routes, the main traders were from the villages of upper Kinnaur.

The transition in geography, culture, religion and customs is remarkable as one move from lower to upper Kinnaur upstream along the Sutlej River. The landscape changes from dense, moist, and temperate Himalayan forests to a brown and barren cold desert that is also characteristic of Tibet. Lower Kinnaur still has the influence of Hinduism with conspicuous mountain-style temples, while upper Kinnaur practices Lamaistic Buddhism. People living in the intermediate zone in general have hybrid religious practices that are a combination of local animistic beliefs, downstream Hinduism and Tibetan Lamaistic Buddhism. E.J. Thomas, a scholar of Buddhist
thought travelling on this route in the late nineteenth century observes the gradual transition in ascending from west to east along the Sutlej, from Hinduism to Buddhism a very remarkable, and not the less so because it is accompanied by an equally gradual change in the physical aspects of the inhabitants. While people and products have attempted to move from one side of the border to another across many passes, only two routes have been successful as trade routes in this region. One is the route along the Shipki la pass at the point where Sutlej River forms a gorge flowing from Tibet into India, and the other follows the Pareechu River over the Kaurik pass. Success as a trade route depends on a number of factors, such as the number of month during the year when the routes are passable, probability of avalanches narrowness of gorges, and habitation patterns on either side of the border. In general, little water or food is available along these routes, and the paths are narrow. Trade products are carried on small sized ponies or sheep that can negotiate these narrow paths, which severely restricts the volume of trade. A.H. Francke, traversing the Shipki la route in 1909, describes it as ‘bad beyond description’, requiring the skills of the mountaineer rather trader.

The main traditional trade route between Kinnaur and Tibet followed the Sutlej River up to Khab village, where the river makes an almost ninety degree turn. The route then ran parallel to the river up to Namgya, the last major village on this route. From here, two different mule paths were followed to cross the border to Shipki village in Tibet below the Shipki River, staying in the valley and crossing the river twice to reach Shipki village below the Shipki pass. This route was open for a longer season since it stayed at lower altitude, but the river had to be crossed using a precious single ropeway that claimed many fatalities, and was used less frequently. In winter, however, traders were able to go straight up the bed of the Sutlej, which was partly frozen. The second path claimed up the mountain slope from Namgya up to Namgya Dogri and Kuymgma la, and then down the
spur to Shipki la and then to Shipki villages. The British saw much potential in this route for developing on alternate Silk route. Lord Dalhousie, British governor-General, conceived of the grandiose Hindustan- Tibet highway in 1850 that would connect the markets of Punjab with Gartok in Tibet. The Motor able road reached Shimla in the 1860's and a bridle path connected Shimla to Chini village. But the final stretch remained incomplete for more than a century. Even In the thirties, the Hindustan-Tibet road existed only as a mule track up to Namgya. During this period, it was extended from Namgya up to Shipki la, and even into Shipki.

6.1.1 The Silk Route

China’s vast north-western region is accessible to travellers along the classic Silk Road. Historically, the legendary trade route only earned its romantic name in the late 1800s, thanks to German geographer. In AD 200, this transcontinental route linked the Roman Empire in the west with the imperial court of china, while foreign trades who belonged to neither of the two old empires conducted trade along the route. Before the discovery of the sea route to India, the Silk Road was the most important connection between the east and west. It experienced its last great era during the time of the Mongols in the 13th century, when the entire route from china to the Mediterranean was part of the Mongol empire. This ancient trade route start in the old capital of Luoyang and XI an (then called chang’an), reaches the Huang he (yellow river) at Lanzhou, then skirts west-ward along desert and mountains before dividing in to two route at the oasis of Dunhauang.

The Silk Road, a network of trade routes across the Asian continent, connected East, South, and Western Asia with the Mediterranean world, as well as North, East and Northeast Africa and Europe. It began in central China & India and stopped somewhere near the Mediterranean Sea. Today India and Red China share a
border, but the mountains created an effective Northern border for India that blocked trade. The main trade routes for India were by sea or through present day Afghanistan. For a considerable portion of history, the Indian markets were as important as or more important than China. In recent years, both the maritime and overland Silk Routes are again being used, often closely following the ancient routes.

Silk Road has played an important role in reconstructing the history of culture and economic affinity between India and China and this larger Eurasian region. Thanks to silk route, silk fabrics and tea from China had been the pillars of Eurasian life, commerce, and foreign trade since ancient times. Between China and India, China learnt from India how to make sugar from cane, how to decorate costumes and living spaces with beads, how to weave gold and silver threads into fabrics, how to enrich Chinese cuisine with black pepper, and how to make medicines from aromatic woods and tropical herbs. India also learnt paper making and the use of the compass in addition to sericulture and the silk industry from China and gained from such Chinese inventions. Like tea, gun-powder and printing. All these interactions were facilitated by this extensive road network known as the silk route. The Silk Routes (collectively known as the "Silk Road") were important trade routes for goods of all kinds between merchants, pilgrims, missionaries, soldiers, nomads and urban dwellers from Ancient China, Ancient India, Ancient Tibet, Persian Empire and Mediterranean countries for almost 3,000 years. It gets its name from the lucrative Chinese silk trade, which began during the Han Dynasty (206 BC – 220 CE).

Extending 4,000 miles (6,500 km), the routes enabled traders to transport goods, slaves and luxuries such as silk, satin, hemp and other fine fabrics, musk, other perfumes, spices, medicines, jewels, glassware and even rhubarb, as well as serving as a conduit for the spread of knowledge, ideas, cultures, zoological specimens and some
non indigenous disease conditions between Ancient China, Ancient India (Indus valley, now Pakistan), Asia Minor and the Mediterranean.

A large number of Buddhist texts of bark, leaf. Silk and paper inscribed with ancient Indian, central Asian and Chinese scripts has been discovered over the past hundred years that throw light on the entire course of the movement of Buddhism from India to China via central Asia – along the silk road. Using the silk road as a guide, scholars have analyzed the spread of trade especially in silk and its production as also its know-how from western China to central Asia, and further to Europe and Indian subcontinent. It is believed that a counter-how must have been simultaneously evolved, of cotton fabric as well as cotton textile technologies, from India to central Asia and then to interior China. Relics of cotton fabrics from earlier times have been found along the Silk Road. It was the Silk Road that helped the imperial places of China get Indian presents of superior cotton fabrics. The Liang emperor Wu was supposedly very fond of a hat and quilt made of Indian cotton, discarding the hat only after using it for three years, and the quilt only after sleeping under it for two years. Chenghiz Khan (1206-70), and also Indian cotton robes so much, they would continue to wear them even after they had been repeatedly patched. Kublai Khan especially sent a mission to Malabar in 1285 to bring back 10 Indian garments. Obviously, therefore, while there was flow of silk from China to India, there must have been some cotton how to India to China as well.

As for sea routes, Indian ships are believed to have frequented the Pacific Ocean and Chinese coasts in the first millennium after Christ. Similarly, there were Chinese ships in the Indian Ocean from the seventh to the seventeenth centuries. There were known in China as the 'jewel-taking ships' with which the merchants of Qulin and another south Indian ports did regular business. The Kerala ports, particularly Cochin and Qulin, lay on the main route between for east and the far west and formed part of several merchants' fables. There
are also authentic accounts of Chinese literature of Chinese ships that would anchor at various ports along the entire western Indian coasts for trade, to change into smaller ships to red sea. Chinese merchants used other goods to India, and took from Indian pepper, perfume jewels even horses’ mostly Indian imports from west Asia. All this was to have a major and lasting impact on the nature of china – India relations. For, instance, a major historic event along the maritime Silk Road was to include a series of seven Chinese naval expeditions into the Indian Ocean led by admiral zhang between 1405 and 1433. Some sinews of trade guided political expansion of post- industrial revolution can also be treed to these voyages from china. The fleet consisted of a giant flagship and a dozen smaller ships with several thousand sailors and other personnel on board. The admiral and his officials conducted diplomatic and trading activities with thirty- seven countries and regions along him Indian Ocean rim up to Hormuz in the Persian Gulf Zhang .He is also believed to having contacted the Nair ruler of Calicut on behalf of the Ming emperor, and left behind a stone inscription. Even British were to try and exploit these historical trade routes through industrial revolution had since changed he equations of states that once thrived on silk route network. For example, after annexing Assam, and getting British ally Gambhir Singh installed as the king of Manipur under the treaty of Yandabo of 1826, the east India company was to start exploring different alternative routes to Yunnan, the south –west province of china bordering Tibet and Burma. At that time the east India Company enjoyed the monopoly of British trade in china and their main trade with china was that of opium. Even as in 1800 china prohibited imports of opium in any form into china, the foreign traders clandestinely smuggled opium into china by bribing Chinese officials because this was very profitable trade for east India Company.

The disputes over trade in opium in china were to ultimately result in the waging of opium Warf 1840 -42. Under the treaty of
Nanking of 1842 China agreed to open five ports. Canton, shanghai, Amoy, Ningbo and Foochow- for foreign trade which was virtually opium trade. Following china’s defeat in the second china war of 1858 in the hands of British more ports were opened for trade. This was to open an entirely new (and totally negative) haze of china’s trade with Indiana-British India. This opium trade and opium were not only to become symbols of china’s anti-colonial sentiment but also greatly undermine the long-standing positive china-Indian equations since ancient times. The onslaught of European colonial expansion into Asia was to completely transform the larger framework of Asia’s economic relations’ profile. These new imperialist patterns were to result in completely isolating their respective colonies and spheres of influence from any mutual commercial intercourse to the point where intro-regional trade in Asia was to become virtually nonexistent under colonialism except for few cases where it was geared to serve colonial powers. The only trade now was between the natives and their cosmopolitan masters in Europe and in this the importance of India’s “country trade” for imperial Britain remains for too well documented. 

Till about 1750’s. China -India trade had survived substantially in its pre-colonial mode of mutual benefit. The export India to china included raw cotton, sandalwood, and ofibanum, while china’s chief exports were sugar, sugar candy, china-root, tutelage, alum and tea. The private Indian trade had not yet begun to supply counterbalancing bulk products like opium and cotton as yet. Accordingly, the trade at this time was in china’s favour and the difference between imports and exports had to be met by silver balances. The same was also true of china’s trade with Europe. As a result, the British east India Company was experiencing double trouble in finding silver to finance the huge demand for Chinese goods in Indian and Europe and this was beginning to create serious problem of one sided purchase and was to force East India company to take some drastic measures. Much of the European companies have been carting silver to china for decades as there was nothing that
Chinese bought form European countries and almost all the bullion of European companies including East India Company was Spanish – American in origin. But Spanish American revolts from 1811 resulted in 15 years of unrest dramatically reducing the supply of silver forcing European companies to withdraw from Chinese markets not that time East India company found a solution in opium from Indian which lured Chinese into accepting it and saw this trade flourish even when Chinese had declared illegal towards end of 18th century. The British Indian trade-which had been partly encouraged by the British east India Company this had also to deal with British fears of European competitors as also compete with Englishmen. Operating as natives, amongst others, this unequal trade with china and increasing competition from European states was to make Great Britain use its local colonies like India to capture the Chinese market. That is how china-India trade relations were partially able to survive during colonialism and this continued to include their traditional items of transaction as the colonial forces introduced new styles and commodities into their bilateral transactions. India’s exports to china, e.g. Still included raw materials for Chinese medicinal preparations like cinnamon bark, clove, putchuk, backwoods, asafoetida, rhinoceros horn, myrrh and cow bezoars though these also now included small quantities of food and drink, dyeing and tanning materials, yarn jute and cotton fabrics. Opium was brought to china by British to offset the flow of silver which British merchants of East India Company had to pay for high demand of Chinese tea, silk and porcelain in Europe and British India. Until the onslaught of opium trade, china had sought little in the way of western imports. But once begun, the opium trade grew exponentially and soon reversed the silver flow in favour of Great Britain. This threat of losing silver plus the obvious perils of the drug to the nation’s health, as well as growing demand to curtail the official corruption which had allowed the opium trade to flourish- led the emperor tao-kuang in 1839 to attempt the
suppression of the opium trade.\textsuperscript{15} This was to result in two “opium wars” in 1839-42 and 1856-60.

**Table 6.1 British India’s trade with China 1829-1838**

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<th>Year</th>
<th>Exports to China</th>
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<td>1838</td>
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It was in this contest that, having made its share of profits, East India Company was to let its monopoly on its China trade lapse in 1834 and gradually encourage Indian companies to take over. The East India Company had several reasons to do so when it came especially to its thriving opium trade with China.\textsuperscript{16} Firstly it saved Britain from the political embarrassments of directly participating in a trade that was illegal in China. Secondly, effortlessly for this East India Company, this was to facilitate channelling of Indian financial resources into this trade. And thirdly it placed the burden of huge price fluctuations and other exchange difficulties on to the shoulders of the Indian merchants and the East India Company ran this business on “purely commission business” with income yet no responsibilities. In fact, in 1839, the cargoes of opium that surrendered to the Chinese belonged mainly to Indian merchants of Bombay, who were only partially compensated several years later.\textsuperscript{17} Since ancient times, Assam (undivided Assam included present day Arunachal Pradesh, Nagaland,
Mizoram and Meghalaya) had intensive trading relationship with China and the far eastern countries. Though the Ahom kings of Assam (1228 AD – 1828 AD) could prohibit the entry of foreign traders whenever they felt threatened by the politics on the borders, a constant caravan trade existed with the eastern regions. In fact, some historians (Liebenthal 1956, Lahiri 1991) have also noted that a route from Szechuan to Sadiya, Assam had existed even before the 7th century. In the 19th century, when maritime trade had developed between Bengal and China, this route was still being used by Assamese merchants who went from valley to a place by the Irrawaddy River, from where they went by mule to Yunnan. The main items from Assam were silk, sandal, betel, and lac (used to make red dye.) There was another shorter route that linked Assam and Tibet, which passed through Tshona Dzong (Tibet), and Twang (Arunachal). Historical records show that Assam had more vibrant ties with her eastern neighbours (Manipur, Bhutan, Tibet, Myanmar and Yunnan) than with Cooch Bihar (Bengal), Assam Bengal trade ties only flourished during the east India company rule, with muga silk mustard seeds, ivory, gold and slaves being exported in exchange for Bengal salt. The main interest of the east India Company in annexing Assam to the colonial empire in 1828 was to exploit the rich natural resources of the region and to use its geographic position to make it the gate way for British expansion in to south and East Asia. Pemberton’s the eastern frontier of India (1835) expresses the British hope that the route of commercial intercourse which already exist from Assam into Bhutan, Tibet, and the provinces of Ava (Myanmar), and from the latter into China, Muneepoor, Arracan and the Tenasserim provinces (part of Myanmar, bordering Thailand), may be still more widely opened.

Moreover, marking the strategic situation of Manipur, Pemberton considered it ‘spot peculiarly fitted to become the entrepot of a trade between the northern provinces of Ava, and the north-eastern districts of Bengal’ he also cites some tribes of Arunachal,
such as the ‘Duphlas (or Nishis, as they then are known today) Abors and Khamptis who acted as active trade agents across the Himalayan passes, bearing silk, animal skins, iron and lakh from the plains of Assam or sliver, and rock salt from the eastern countries.

The British looked westward, for the markets for tea lay toward the west where Assam tea had to compete with China tea thus it was that Assam trading relations with China and the south-eastern countries were soon overridden by the new trading links initiated by the British with Assam’s gradual divorced from its southeast Asian connection. The rush to draw boundaries between counties in the post world war I period also contributed to the severing of the historical links between India and south East Asia.

But even after the British had ceased to consider extending India’s commercial intercourse with East and South East Asia, the age old trade partnership between the Arunachali tribes and their eastern counterparts continued. There is record of mishmi going to Tibet in caravans in the immediate post-independence period, to barter teeta (a valuable medicinal herb that grows wild in the lohit and dibang subdivisions of Arunachal) mush posa, yarn and beads brought from the plains, in exchange for local home wool and woollen goods, yak, cattle, and their products, salt and mishmis also set to go every year on long trail to maintain trade connections with their ancient homelands in khampti long and Hukong valley in Myanmar. They acquired weapons and agricultural implements from Myanmar. However, the great earthquake of 1950 in the North east, which altered the topography and changed river worsens, also erased many of the ancient tracks and passes so that trade shifted to the foothills. For example, Tezu (presently part of Lohit district) emerged as a new trade centre in the foothills taking the place of Sadiya (Presently in Lakhimpur district of Assam bordering Arunachal) when the thriving tribe trade centre in the latter was washed away by floods precipitated by the earthquake. This continues trade was, however, disrupted in
the aftermath of the India-China hostilities of 1962. Increased security concerns led to the sealing of many trade routes and many passes and traders have today become obsolete through disuse. Though unofficial trading is still carried out on some of the old routes, local players are few. Most contemporary trade agents profess to direct their goods through the Nepal-Darjeeling-Siliguri-Arunanchal route than through the shorter China-Tibet-India passages. While speculation may be rough trade makes anything more than speculation impossible. Unchecked illegal border trade along India's boundaries with Myanmar (which shares a border of 1640 km with Manipur, Mizoram, Nagaland and Arunanchal Pradesh) had led to govt of the two countries signing a border trade agreement in 1994 in order to legalise border trade.

As a result the India-Myanmar border was officially declared open for trade at Morch in Manipur, corresponding to Tamo in Myanmar, and Champhai at Mizorm, with effect from 12 April 1995. As of now however official trade is being carried out only at the Morch trade post. More recently in 2006, the Nathu la pass Sikkim was formally reopened for border trade. A similar trade agreement along the Arunanchal Tibet and Arunanchal – Yunnan conduits seems to be the order of the day. While the significance of the Zemithang (12 km from the India /Bhutan/ Tibet triangular border and 93 km from Twang). Gelling and Kibithoo trade posts have already been recognized by the Arunachal govt. there have also been conceptions of alternative trade routes at Nam pong, Vijay Nagar and Kimiang in changing district, bordering Myanmar. Reopening the ancient routes will not only help renew old commercial ties but will also be an attempt to give reorganization to long overlooked cultural ties. Centuries ago, silk from China, spices and other commodities were transported along the silk routes, traversing 2500 miles of inner Asia. Along with commercial ware these routes also transmitted religious, culture and technological fools and ideas. Today, with connectivity global village,
people to people contact and Tran’s nationalism becoming the key words of a new global discourse, attempts have veered towards reviving these forgotten passages of the past.

Tawang, located a mere 37 km by road from the Tibetan border, was the most important habitation in the erstwhile Kameng frontier division of the North-East Administration (NEFA), as well as in the entire NEFA. The Kemang frontier divisions now consist of three districts, viz, west Kameng district, which adjoins the Brahmaputra valley, Tezpur in Assam, East Kamang district, the Tawang district. The Kameng region is inhabited by two communities: Sherthukpens and the Monps. The Sherthukpens inhabit the region closes to Assam. While the larger and thus more important community. The Monpas, generally inhabits the higher regions right up to the border with Tibet. Tawang district is bounded on the north by china’s Tibet Autonomous region and on the south and west by Bhutan, and thus forms a westerly salient of Arunachal Pradesh. The district is almost entirely inhabited by the Manpa people, though the town has people from different parts of India, following various urban occupations. The Sino-Indian border in the area, though not yet formally recognized by chines and thus neither delineated nor demarcated, is a traditional cultural boundary between the Manpa people and the Tibetan people, along physically clearly recognizable mountain features. The communities are culturally distinct, though there are commonalities, the principal one being the Tibetan-style Lamaistic Buddhism practiced by the Manpas. Up to 1962, the entire Kameng region had no motor able roads, and all movement was either on foot or on ponies/ small mules along the foot- tracks and bridle-paths. Goods were also moved along the same routes either by porter or by pack ponies/ mules. The area first came to public notice when the present Dalai Lama fled from Tibet to India in 1959, with this lesser known route to India to escape the Chinese pursuit. The shortest route from Lhasa to the Indian plains is via Sikkim to Siliguri, the traditional
route crossing the Tibetan border at Jelep la and coming down to Kalimpong in the Darjeeling district of west Bengal. The present trade route officially accepted by both China and India enter India at Nathu la, a neighbouring pass to Jelep la, and there after comes down to Gangtok, following the Gangtok Siliguri road thereafter.

In 1962, from about April onwards, the Indian govt. started the work of building road in the Kameng area, principally to assist in the establishment of paramilitary Assam rifles posts along the McMahon line, which India believes to be the rightful Sino-Indian border. By October 1962 the situation on the main arterial route Tezpur- Bomdila- Tawang was as under:

1) **Tezpur- Dirang Dzong**: all weather road, capable of taking truck/ lorry traffic.

2) **Dirang Dzong-Jang**: fair- weather road, capable of taking light trucks.

3) **Jang- Bomdir – Tawang**: fair- weather jeep track.

4) **Ahead of Tawang**: bridle paths fill for local hill ponies only, and foot- tracks.

Between the end of October 1962 and mid November 1962 the Chinese converted the route from Tawang to Bumla to a motor able road capable of taking military trucks. Presently these are blacked topped “all - weather’ roads to a few smaller localities in Tawang district and to the Tibetan border at Bumla, as well as the “all weather” main arterial route from Tezpur to Tawang. However, this road is only of dual – carriageway at present and only some sections are being widened to become a four- lane road. The Tezpur - Tawang road presently takes civilian truck traffic, the size of trucks and other load-carrying vehicles being restricted by the nature of the road. Hills certified trucks and tankers presently play on this route as far as
Tawang, carrying goods for local consumption, such as LPG cylinders, and petrol/diesel in six thousand litres tankers. Those the trade carrying capabilities of this route from the Assam valley to the indo-Tibetan border is restricted by the load bearing capacity of cargo carriage that can be employed on the road, and also by the total members of (up and down) vehicles that can play in a month, quarter or year. Beyond Bumla the motor able road continues on the Chinese side into Tibet, the nearest town being Tsuna Daong. Due to lower rain fall and very little steep slope on the Tibet side, the traffic and load bearing capability improve markedly on the Tibetan side.

Since the route was not the main trade route between the city of Tibet and plains of India, the type and volume of traditional trade the existed up to the outbreak of the 1962 Sino Indian border was restricted two the local necessities of the people on either side. To village and nearby town the adjoining Kungbo province of Tibet's Tasang region went challises form the Assam valley, and rice grown by Monpas. From Tibet came salt, semi-precious stones, some silver jewellery, wool, ponies and some iron and steel goods, such as Dahs, used by the Monpas and Sherthukpens. The traders who carried out this localized cross border trader through the Tawang region were either Tibetans, or Bhutanese form the adjoining eastern Bhutan province of Tashigang. The Bhutanese who traded with Tibet Tawang area were the eastern Bhutanese, one of Bhutan's three main communities), who call themselves 'sharshoh' or 'shaishoh' and whose language has some affinity with the southern dialect of the Monpa (language spoken in the Dirang area.) The Monpas themselves never engaged in the cross border trade, though they beneficial from it, both by way of sales an purchase, preferring to remain engaged in their agricultural and animal husbandry pursuits. The traditional trade route from Tibet to Assam was from Tsona Dzong by either of two routes up to Tawang. Thereafter across Sela and down to Dirang, from there down to Udalgiri In the Assam valley, west of Tezpur and close
to Bhutan's border with Assam. (Tezpur acquired importance only after the British occupation of Assam in the 19th century and the establishment of British-owned tea garden there. Bhutanese traders and the Monpa people of the Nyamjang Cho valley route via Zemithang and Khimzemane into Tibet, which was open all through the year, whereas Monpa people of the vicinity of Tawang preferred to use the much shorter Bumla route, which was also fit for pack. Yaks carrying heavier loads than ponies, but was closed in winter. In winter everyone used the Nyamjang Chu valley route.

**Distance on Rate Tezpur – Tawang- Bumla**

*(Sino – Indian Border)*

<table>
<thead>
<tr>
<th>Location</th>
<th>Next Location</th>
<th>Elevation</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tezpur</td>
<td>Charduar</td>
<td>84m</td>
<td>27km</td>
</tr>
<tr>
<td>Charduar</td>
<td>Bhalukpong</td>
<td>218m</td>
<td>3km</td>
</tr>
<tr>
<td>Bhalukpong</td>
<td>Nechiphu</td>
<td>1600m</td>
<td>20km</td>
</tr>
<tr>
<td>Nechiphu</td>
<td>Dedza</td>
<td>1200m</td>
<td>15km</td>
</tr>
<tr>
<td>Dedza</td>
<td>Tenga</td>
<td>1380m</td>
<td>15km</td>
</tr>
<tr>
<td>Tenga</td>
<td>Bomdila</td>
<td>2370m</td>
<td>23km</td>
</tr>
<tr>
<td>Bomdila</td>
<td>Munna Camp</td>
<td>1480m</td>
<td>30km</td>
</tr>
<tr>
<td>Munna Camp</td>
<td>Dirang</td>
<td>1605m</td>
<td>07km</td>
</tr>
<tr>
<td>Dirang</td>
<td>Sapper lamp</td>
<td>1705m</td>
<td>15m</td>
</tr>
<tr>
<td>Sapper Camp</td>
<td>Senge</td>
<td>2700m</td>
<td>26km</td>
</tr>
<tr>
<td>Senge</td>
<td>Baisakhi</td>
<td>3200m</td>
<td>10km</td>
</tr>
<tr>
<td>Baisakhi</td>
<td>Sela</td>
<td>4180m</td>
<td>16km</td>
</tr>
<tr>
<td>Sela</td>
<td>Jang</td>
<td>2380m</td>
<td>39km</td>
</tr>
</tbody>
</table>
Jang - Khirmo (2620m) 20km
Khirmo - Bomdir (2400m) 08km
Bomdir - Tawang (2870m) 11km
Tawang - Pankengtong (4030m) 13km
Pankengtong - Mila (4200m) 19km
Mila - Klemta (4230m) 07km
Klemta - Bumla (4580m) 08km
Tezpur - Tawang - 345km
Tawang - Bumla-Lhasa - 508km
Delhi - Tawang - 2534km
Tawnag - Beijing - 4306km

**Source:** Tawang Border Trade: Problem & prospectus, col., Institute of Chinese studies, No II, May 2005 -07.

There was no administration / Regulation of the border trade, partly because volumes were too low to attract govt attention, and thus taxation in forms customs fees or imports duties, and partly because the administrative arrangements were not as they are today. The Bhutanese monarchy exercised control over their area. This remains today as it was up to 1962, but Indian administration was effectively started in the Tawang region only in 1951, when major R. Khating of the Assam rifles was sent to establish the first Indian government office in Tawang, evicting the Tibetan officials of Tibet’s ecclesiastical administration who had governed the area till then.
6.2 PRESENT DAY FUNCTIONAL LAND TRADE ROUTES BETWEEN INDIA AND CHINA

As it has already been pointed out that after the Sino-Indian conflict of 1962, the land trade between India and China came to standstill. It was only during 1980's both the countries again started to negotiate and it was only during 1990's this trade was again started. Current border trade between India and China is being carried out by three trade routes:

1) Lipulekh is a Himalayan pass connecting the Kumaon region of Uttarakhand in the Pithoragarh district in India with the old Tibetan trading town of Taklakot (Purang) in China.
2) Shipiki la on the border between India and China situated in Kinnaur District of Himachal Pradesh
3) Nathu la, It connects the Indian state of Sikkim with China's Tibet Autonomous Region

6.2.1 Lipulekh Pass

Lipulekh is a Himalayan pass connecting the Kumaon region of Uttarakhand in the Pithoragarh district in India with the old Tibetan trading town of Taklakot (Purang) in China. It has been used since ancient times by traders, mendicants and pilgrims transiting between India and Tibet. This is used by Manasarovar pilgrims. Presently, it is a border post manned by the Indo-Tibetan Border Police. This pass links the Vyas (locally called "Byans") and Chaudans valleys of India with the Tibet Autonomous Region of People's Republic of China, and forms the last territorial point in Indian Territory. The Kailash Mansarovar Yatra, a Hindu pilgrimage to Mount Kailash and Lake Mansarovar, traverses this pass. Lipulekh pass is connected to Chang Lobochahela, near the old trading town of Purang (Taklakot), on the Chinese side. The pass is first Indian border post to be opened for trade with China in 1992. This was followed by the opening of Shipkila, Himachal Pradesh in 1994 and Nathula, Sikkim in 2006.
Presently, Lipulekh is open for cross-border trade every year from June through September. The items cleared for export from India include gur, misri, tobacco, spices, pulse, fafar flour, coffee, vegetable oil, ghee and various miscellaneous consumable items, whereas the main imports include sheep wool, passam, sheep, goats, borax, yak tails, chhirbi (butter) and raw silk.

**Map of Lipulekh Pass**

![Map of Lipulekh Pass]

**Source:** Swarn Singh, “China- India Economic Engagement Building Mutual Confidence, French Research Institutes In India, 2005.”

**6.2.2 Shipkila Pass**

Shipkila is a mountain pass and border post on the India-China border. It is through this pass which the river Sutlej enters India (from Tibet). It is located in Kinnaur district in the state of Himachal Pradesh, India, and Tibet Autonomous Region in People's Republic of China. The pass is India's third border post for trade with China after Nathula in Sikkim, and Lipulekh in Uttarakhand. The pass is close to town of Khab. Currently the national highway NH-22 from Ambala to
Shipki la is metalled up to confluence of the Sutlej and Spiti rivers, two kilometers below the village of khab. From here, it is a jeep able unmetalled road up to Hopsung Nala beyond the settlement of khab, Namgya and Namaya Dogri. Beyond this point, a mule track prone to constant landslides and rock fall continues up to 4,000 meter high pass. Shipki la which also serves as the international border, three kilometres before the border at Shipki la is a point called Chuppan, which is the proposed site for a trade market. A customs post manned by the police currently exists at this point. The first village, Shipki, on the Tibetan side is a further five kilometres from Shipki la. On the Tibetan side, a jeepable road exists approximately ten kilometres from the border.

Current trade is carried on only by villagers of upper Kinnuar, although earlier lower Kinnaur residents were also involved. Traders from villages lying between pooh and Khab-Namgya used the Shipki la route, while traders from villages beyond the Sutlej in upper Kinnaur customarily used the Kaurik route. Since traders developed trade links along specific routes, they generally used the same route. It is also possible to cross the border along a few other high passes, but these are in general more dangerous and undependable. Even the Shipki la and Kaurik routes remain snowbound for most of the year, and are usable only between June and November. While these two routes are now partly Jeep able, road construction remains difficult due to the dry loose soil, crumbling rocks, and constant landslides. A Jeep able road to Shipki la is being completed, but so far only mule based trade is possible via either route. With improvement in Sino-Indian political relations, the two governments signed a memorandum on the resumption of border trade at new Delhi on 13 December 1991. A protocol on entry and exit procedures for border trades was signed on 1st July 1992, and a second one was signed in Beijing on 7sep.1993 between the two govt. For extension or border trader across Shipki la pass in this protocol, it was agreed that border trade
markets would be established at Namgya in Kinnuar district of HP in India, and Jivba in Zada country in the Tibet autonomous region of China. Shipki la was agreed as the pass for entry and exit of persons, commodities and means of transport engaged in border trade

a) **Legal Trade:** Shipki la is the main route for traditional and current legal Indo-Tibetan trade in this region. Historical accounts also refer to this route as the major trade route. Trade reduced to a trickle between 1962 and 1933, when the route was legally closed and military presence increased. When border trade was resumed in 1992, Shipki la was decided as the point of entry. Legal trade remains open from 1 June to 30 Nov, when the pass is generally free of snow. Indian traders who wish to cross the border have to apply for a trade pass, currently issued after verification by the tehsildar at the tehsil headquarters of pooh. The first trade passes were issued in 1994, and there was tremendous enthusiasm among customary traders and border villagers in resuming their traditional trading practices through this route. Nearly hundred traders applied for trade passes that year. Since then, however, fewer traders make the difficult journey into Tibet. The number of trade passes now remains around thirty-five each year.

b) **Beyond the Law:** Trade has continued along these routes even during the period when they were legally closed. Although on a very small scale. Some of this trade was carried out surreptitiously. However, since military presence has remained high in this area since 1962. Public discourse claims that trade continued with the knowledge of the military. This fact has an influence even on legal trade, since there is general suspicion associated with traders that they may be involved in espionage. Claims that particular traders are employed by military or intelligence agencies abound and
some traders also claim their contribution to this work. Irrespective of the truth of these unverifiable claims, this has had a deleterious effect on trade prospectus due to loss of trust in traders on either side. Another element of illegality is that official estimates of trader movement and value of imports and exports are a gross underestimate. Even legal traders carry commodities that are not declared at the customs post, since legal trade in listed commodities is not particularly profitable. Most profit is derived from Swiss watches, jewellery, branded electronic goods, and pure wool carpets that do not appear in government records. A few large traders also make occasional trips through illegal routes. These trips provide very high profits, since there are no checking, tax product limitations.

c) Trade commodities: The government also specific commodities that can be imported and exported freely across this border. All other commodities attract customs duty and these are prohibited. Most of the commodities in this tax-free list are those used by border communities, involved in small scale trade. This is likely to encourage only subsistence level barter trade and unlikely to encourage Shipkila as a major trade route. However wool & silk are commodities that are taxed when imported along other borders. Hence, there is an advantage to importing these commodities via Shipkila.

Traditional commodities such as rice, wheat flour, gur, misri, vegetable oil continue to be exported by local traders. These products are sometimes bought from government subsidized ration shops and exported. While such items are now available to Tibetan villagers from Chinese govt. ration shops, there is still a preference for goods brought from India. Greater demand, however, is for packed foods from India such as sauces, instant noodles and toffees. Cotton and synthetic cloth are also exported from India. These commodities
however offer only small profit margins to traders. More profitable trade is in branded manufactured goods, such as Japanese and Indian radios and high-end Swiss watches, coconut, Kesar, and dried apricots have also been exported with profit. Another major post 1960's export is products specifically made for the Tibetan market by Tibetans who have settled in India. Wool carpets with typical Tibetan design are produced in India by Tibetan refugee's settlers in Kalimpong, Dharamshala, etc. and are exported for consumption in Tibet. Galichas have also been exported in significant quantities in recent years. Jewellery stones such as mongo and jute are valued both in Kinnaur and in the adjoining Tibet region.

Of these various exported items, consumable goods are bought by Tibetan border villagers trading local sheep, goats, yak and ponies in barter. Other high end products are exported for the Chinese market and both Chinese traders and Tibetan middleman buy these products using Chinese currency. Indian traders then spend this currency to buy commodities in Tibet. Pashm and wool are also bought from local traders. Favoured import commodities include jackets, shoes, raincoats, umbrellas and various types of crockery, often bought from Chinese canteens. Thus, although the trade is not entirely on barter, very little currency moves cross the border. Once in India, Tibetan sheep and goat are prized in border villages in winter for their meat, yak and ponies are also used locally. Earlier, some higher quality and expensive shanghai crockery was also imported but this was unavailable now. Rampur, Pooh, Yangthang, Nako, Chango and Kaza all have a couple of shops that sell these products locally. Pashm and wool are sold mainly in the Lavi fair in November at Rampur to traders from Punjab and Delhi.
6.2.3 Nathu la Pass

Nathu La is a mountain pass in the Himalayas. It connects the Indian state of Sikkim with China's Tibet Autonomous Region. The pass, at 4,310 m (14,140 ft) above mean sea level, forms a part of an offshoot of the ancient Silk Road. Sealed by India after the 1962 Sino-Indian War, Nathu La was re-opened in 2006 following numerous bilateral trade agreements. The opening of the pass is expected to bolster the economy of the region and play a key role in the growing Sino-Indian trade. Currently, agreements between the two nations limit trade across the pass to 29 types of goods from India and 15 from the Chinese side. The opening also shortens the travel distance to important Hindu and Buddhist pilgrimage sites in the region Nathu La is located on the 563 km (333 mi) Old Silk Route, an offshoot of the historic Silk Road. During the 1990s, bilateral trade agreements were signed by India and China that paved the way for opening of the pass.
In December 1991, India and China signed the Memorandum on the Resumption of Border Trade; subsequently, in July 1992, the Protocol on Entry and Exit Procedures for Border Trade was signed. These two documents contained provisions for border trade through Nathu La. On 23 June 2003, India and China signed the Memorandum on Expanding Border Trade that provided for the use of Nathu La in border trade between India and China. In 2003, with the thawing of Sino-Indian relations, Indian Prime Minister Atal Bihari Vajpayee's visit to China led to the resumption of talks on opening the border. Later in 2004, the Indian Defence Minister's visit to China led to the formal opening of the pass. The opening, originally scheduled for 2 October 2005, was postponed due to last-minute infrastructure problems on the Chinese side. Finally, after a decade of talks, Nathu La was opened on 6 July 2006. The date of the re-opening coincided with the birthday of the reigning Dalai Lama, and is widely seen as a snub to the International Tibet Independence Movement. In the years before the re-opening, the only person permitted to cross the barbed-wire frontier was a Chinese postman with an Indian military escort, who would hand over mail to his Indian counterpart in a building at the border. The event also formally recognises Tibet as part of China by India and Sikkim's accession to India.

The opening of the pass was marked by a ceremony on the Indian side that was attended by officials from both countries, including Sikkim Chief Minister Pawan Kumar Chamling (the chief guest), the Chinese ambassador to India, and the Tibetan Autonomous Region Chairman, Champa Phuntsok. A delegation of 100 traders from India and 100 Tibetans crossed the border to respective trading towns. Despite heavy rain and chilly winds, the ceremony was marked by attendance of many officials, locals, and international and local media. The barbed wire fence between India and China was replaced by a 10 m (30 ft) wide stone-walled passageway. It was also decided to mark the year 2006 as the year of
Sino-Indian friendship. Up until 1962, before the pass was sealed, goods such as pens, watches, cereals, cotton cloth, edible oils, soaps, building materials, and dismantled scooters and four-wheelers were exported to Tibet through the pass on mule-back. Two hundred mules, each carrying about 80 kg (175 lb) of load were used to ferry goods from Gangtok to Lhasa, which used to take 20–25 days. Upon return, silk, raw wool, musk pods, medicinal plants, country liquor, precious stones, gold and silverware were imported into India. Most of the trade in those days was carried out by the Marwari community, which owned 95% of the 200 authorised firms. To facilitate cross-border trade, the two countries have set up trading marts at Sherathang in Sikkim and Rinqingang in Tibet from Nathu La for the purposes of customs and checking. Trading is open Mondays through Thursdays from 07:30/11:00 to 15:30/19:00 IST/Beijing Time (03:00 to 13:00 UTC). The trading season starts on 1 June and continues through 30 September, when snowfall and extreme weather render the pass unfit for travel. A total of 100 traders and 60 trucks carrying goods are allowed to operate from either side of the border.

While China has not placed any restrictions on cross-border trade, India has done so, placing heavy restrictions on the commodities that are to be exported and imported. Exports from India include agricultural implements, blankets, copper products, clothes, cycles, coffee, tea, barley, rice, flour, dry fruits, vegetables, vegetable oil, molasses and candy, tobacco, snuff, spices, shoes, kerosene oil, stationery, utensils, wheat, liquor, milk processed product, canned food, cigarettes, local herb, palm oil and hardware. Chinese exports to India include goat skin, sheep skin, wool, raw silk, yak tail, yak hair, china clay, borax, butter, common salt, horses, goats, and sheep. Restrictions are also placed on traders, with permits only given to those who were Sikkimese citizens before the kingdom merged with India in 1975.
The re-opening of the pass is expected to stimulate the economy of the region and bolster Indo-Chinese trade, which amounted to US$7 billion in 2004. Before the pass was opened, almost all the Sino-China trade went through the port of Tianjin more than 4,000 km away. With the opening, this distance has been shortened to 1,200 km. Figures released by the Tibet Autonomous Regional Bureau of Commerce show that in the 51 days of trading in 2006, US$186,250 worth of trade passed through Nathu La. It is estimated that Sino-Indian trade would increase by nearly 15–20% within two years of Nathu La's opening. Trade volumes through the pass are projected to grow to Rs. 206 crores (US$ 44.6 million) by 2007, and Rs. 12,203 crores (US$ 2.6 billion) by 2015. This slowed in later years due to deteriorating relations, primarily due to lingering land disputes over Sikkim and Arunachal Pradesh, which coincided with Indian election and was a means for Beijing to pressure and destabilise the UPA. The pass offers Chinese companies access to the port of Kolkata (Calcutta), situated about 1,100 km from Lhasa, for trans- shipments to and from Tibet.

On the Chinese side, 7,000 tourists visited Yadong County in 2006 and brought in 1.67 million Yuan (US$ 216,000) in revenue. On the Indian side, only citizens of India can visit the pass on Wednesdays, Thursdays, Saturdays and Sundays, after obtaining permits one day in advance in Gangtok. The pass would be particularly useful for pilgrims visiting monasteries in Sikkim such as Rumtek, one of the holiest shrines in Buddhism. For Hindus, the pass reduces the journey time to Mansarovar Lake from fifteen to two days.

There are fears among some traders in India that Indian goods will find a limited outlet in Tibet, while China will have access to a ready market in Sikkim and West Bengal. A major concern of the Indian government is the trafficking of wildlife products such as tiger and leopard skins and bones, bear gall bladders, otter pelts, and Shahtoosh wool into India. The Indian government has undertaken a
program to sensitise the police and other law enforcement agencies in the area. Most of such illicit trade currently takes place via Nepal.

On the Tibetan side, two highways—from Kangmar to Yadong, and from Yadong to Nathu La—have been listed in the 2006 construction plans of the Ministry of Transportation and the Development and Reform Commission of the People's Republic of China. Plans are also underway to start a bus service from Gangtok to Lhasa, and to extend the Qinghai-Tibet Railway to Yadong over the next decade. However, in later years the annual trade during the merchant periods was poor, especially a lack of Chinese imports. The government had to cajole the locals to trade, who cited that it was not worth it to pay the license given poor revenue. Border tensions have also deferred trade.

**Map of Nathula Pass**

![Map of Nathula Pass](image)

**Source:** Swarn Singh, “China- India Economic Engagement Building Mutual Confidence, French Research Institutes In India, 2005.”
6.3 MAJOR HURDLES IN CURRENT LAND TRADE ROUTES

The trade routes have been opened in the hope of increasing bilateral trade between two countries but there are some major hurdles which should be well thought out in order to make these border trade routes functional at a much larger scale. Following problems were found associated with these paths:

1. Proper transportation facilities are not available in these areas. Most of the trade is done by the traditional methods on large number of goods are carried manually or through by mules only, which lowers down the potential of trade.

2. Tough topography in these areas is a big hurdle in the way of trade. All these passes are at the height of around 13000 feet and remain under snow cover for more than 6 months. Hence the trade through these routes is possible only for 4 to 5 months. Making of tunnels is an area which can be taken for consideration to solve this issue.

3. Since the trade through these routes is very negligible and hence huge duty structure has become a major hurdle. Therefore, there is a serious need for finding some way out for this problem and which is feasible only if both countries agree for making these trade points a special economic zones where duties are reduced to negligible extent. Lack of proper communication facilities creates more problems for bilateral trade.

4. Improper roads, lack of banking facilities, lack of foreign exchange counters create more hurdles to the traders.

5. The markets of trade in these border areas suffer from lack of infrastructure therefore government should take steps to create basic infra structural facilities in these areas.
6. Rail links for these border points are quite weak. However, China has extended its railway network closer to these points but India has yet to take concrete steps in this direction. Railway can play a major role in boosting land trade between these two countries.

Thus just opening up of the trade routes is not enough there are some problems associated with these routes which will have to be considered by the two governments otherwise it would be very tough for the traders to take benefits of these trade links. India's north-east and China's south-west had been natural trade partners throughout the ages. There is historical evidence that Tibet had a flourishing trade with Assam before the British annexation of the Brahmaputra valley and there are about twenty seven passes that connects different parts of Arunachal Pradesh to Tibet. One of the over-land routes called Ledo road, also called Stilwell road, originates at Ledo in Upper Assam, passes through Arunachal Pradesh and extends to Kunming, the capital of China's Yunnan province. It was built during the Second World War. There have been demands to reopen this trade route through various initiatives including the Kunming Initiative. Ladakh has also been the natural link between the two nations in the north-west. For centuries, Leh was the pivot of the commercial link between Punjab and Kashmir in the south and Turkistan in the north. By reopening Nathu La, the two countries will be shaking off the diplomatic mistrust that has hindered the development of China's south-west and India's north-east. The renewing of the Silk route is a major addition to the confidence-building measures between both countries and the resumption of trade along the borderlands prompts intelligent shifts in foreign policy. It would seem that the two countries are quietly finding ways to work together. Successful conduct of business through Nathu La will encourage cooperation over a range of issues. Further, India is already building strategic roads along its border with China in Arunachal Pradesh. In recent years, India and
China have begun to draw closer, recognizing their common interest in trade, regional stability and counter terrorism. Giving primacy to economic growth and development, India and China have shelved disagreements and are willing to strengthen bilateral ties. Trade and investment between the two countries has grown rapidly over the past few years indicating the vast potential for further growth.
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